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USAID Strong Hubs for Afghan Hope and Resilience (SHAHAR)

DRAFT ANNUAL REPORT – YEAR 1
Fiscal Year 2015 (December 2014 – September 2015)

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ACRONYMS

ADC	Area Development Council
AFMIS	Afghanistan Financial Management Information System
AMEP	Activity Monitoring & Evaluation Plan
ANSF	Afghan National Security Force
ARTS	Afghanistan Reliable Technology Services
ATR	Assess, Transform and Research Consulting
BLFCS	Business Licensing and Fee Collection System
BPAs	Blanket Purchase Agreements
COR	Contracting Officer's Representative
CPAR	Contractor Performance Assessment Report
CSC	Citizen Service Center
CUSDM	Competitive Urban Service Delivery Mechanism
DO	Development Objective
DoWA	Directorate of Women's Affairs
DQA	Data Quality Assurance
EA	Embedded Advisor
EDP	Economic Development Plan
FAF	Foreign Assistance Framework
FY	Fiscal Year
GDMA	General Directorate of Municipal Affairs
GFMIS	Government Financial Management Information System
GIRoA	Government of the Islamic Republic of Afghanistan
GIS	Geographic Information Systems
HICD	Human and Institutional Capacity Development
HR	Human Resources
ICMA	International City/County Management Association (DAI SHAHAR partner)
ICT	Information and Communications Technology
IDLG	Independent Directorate of Local Governance
IED	Improvised Explosive Device
IFMS	Integrated Financial Management System

IFRS	International Financial Reporting Standards
INS	Insurgents
IR	Intermediate Result
LEDPs	Local Economic Development Plans
LTТА	Long-Term Technical Advisor
M&E	Monitoring and Evaluation
MAB	Municipal Advisory Board
MDF	Municipal Development Fund
MGCI	Municipal Governance Capacity Index
MIF	Municipal Incentive Fund
MoF	Ministry of Finance
MOU	Memorandum of Understanding
MoWA	Ministry of Women's Affairs
MUDA	Ministry of Urban Development Affairs
NGO	Nongovernmental Organization
NPP	National Priority Program
OCAT	Organizational Capacity Assessment Tool
PAR	Public Administration Reform
PIRS	Performance Indicator Reference Sheets
PMP	Performance Management Plan
PPP	Public-Private Partnership
RAMP-UP	Regional Afghan Municipalities Program for Urban Populations
RF	Results Framework
RFP	Request for Proposals
RFQ	Request for Quotes
RGAPs	Revenue Generation Action Plans
RSI	Rahman Safi International Consulting (SHAHAR M&E Partner)
SHAHAR	USAID Strong Hubs for Afghan Hope and Resilience Project
SNG	Sub-National Governance
SOP	Standard Operating Procedure
STBCS	Safayi Tax Billing and Collection System
STTA	Short-Term Technical Advisor

SWM	Solid Waste Management
SWOT	Strengths, Weaknesses, Opportunities, and Threats analysis
TAMIS	Technical and Administrative Management Information System
UN	United Nations
USAID	United States Agency for International Development
VBIED	Vehicle Borne Improvised Explosive Device

TERMS

<i>Gozar</i>	Neighborhood
<i>Nahya</i>	Municipal district
<i>Wakil or Kalantar</i>	<i>Nahya</i> or <i>gozar</i> representative
<i>Mustoufiat</i>	Provincial line directorate of Ministry of Finance
<i>Tashkeel</i>	Administrative structure of a GIRoA entity
<i>Safayi tax</i>	Service charge and property tax
<i>Sharwali</i>	Municipality
<i>Moqarara</i>	Regulation

ABOUT SHAHAR

Municipalities play a unique and important role within Afghanistan's sub-national governance (SNG) architecture. They are fiscally independent units of government, capable of raising revenue and investing in urban services and infrastructure. They are the face of Afghanistan's urban local public sector, positioned to consult citizens, assess local needs, and respond to a growing Afghan urban populace. By creating new public-private partnerships, investing in new infrastructure, and constructing modern markets for trading, municipalities are instrumental in shaping the economic conditions that will lead to more jobs.

While Afghan municipalities have evolved in recent years because of targeted USAID and other donor programs, the challenges faced by Afghan municipalities are still immense. The capacity to perform core municipal functions is conspicuously low, particularly in smaller cities.

The objective of the USAID Strong Hubs for Afghan Hope and Resilience (SHAHAR) Program is to create well-governed, fiscally sustainable Afghan municipalities capable of meeting the needs of a growing urban population. This objective is being achieved through program activities in the following three components.

Component A – Assistance to GDMA: Component A strengthens the coalescence of a linked system of municipal governance throughout Afghanistan, which has GDMA at its center, and builds GDMA's human and institutional capacity to function as intended. As a result of the deliverables in Component A, GDMA will have the capacity to oversee the performance of all SHAHAR municipalities through a networked financial management information system, promulgate guidance and standard operating procedures (SOPs) that set standards for municipal functioning nationwide, furnish training and technical assistance to municipalities, and properly fulfill its mandate under Afghan law.

Component B – Assistance to Mayors and Municipal Administrations: Component B is the core of SHAHAR and is inseparable from Component A, as it builds the institutional and human capacities of Afghan municipalities to enable them to participate in a linked municipal governance system held together by GDMA at the center. With SHAHAR support, municipalities are developing the institutional resilience to effectively meet citizen priorities and service delivery needs in a manner that is transparent, accountable, and fully representative of citizen interests. By the end of the program, the municipalities will have strategic plans developed in consultation with their citizens; a modern financial management system; and the tools, technologies, best practices, and professional networks necessary to facilitate the ongoing development of municipal leadership and staff long after SHAHAR assistance has come to an end.

Component C – Assistance to Municipal Advisory Boards (MABs): Component C activities focus on the development of institutions that support an essential ingredient in municipal governance – the ability of citizens from all walks of life to collectively register their voices to municipal decision-makers and to hold them accountable for their actions. By supporting MABs, SHAHAR will help lay the groundwork for elected Municipal Councils as permanent fixtures of Afghan municipal governance.

SHAHAR is being implemented in 20 provincial municipalities across Afghanistan: Aybak, Maymana, Mazar-e-Sharif, Puli Khumri, and Shibirghan in the North Region; Asadabad, Chaharikar, Gardiz, Ghazni, Jalalabad, Maydan Shahr, Mihtarlam, and Puli Alam in the East Region; Kandahar, Lashkar Gah, Qalat, and Tirin Kot in the South Region; and Feroz Koh, Hirat and Qala-I-Naw in the West Region.

WORK PLAN PERIOD OF PERFORMANCE

SHAHAR's annual work plans and annual and quarterly reporting periods align with the United States Government's (USG's) fiscal year (FY), which begins on October 1 and ends on September 30. Therefore, the Year 1 Work Plan aligned with FY 2015, the Year 2 Work Plan will align with FY 2016, and the Year 3 Work Plan will align with FY 2017. It should also be noted that the Year 1 Work Plan covered only a ten-month period (December 2014 – September 2015), due to the program being awarded on November 30, 2014.

Due dates for SHAHAR's Statement of Work Deliverables for USAID align with its program or contract year, which begins on November 30 and ends on November 29 each year over the life of the program.

SHAHAR PARTNERS

International City/County Management Association (ICMA): ICMA is a major SHAHAR subcontractor and long-standing DAI partner. ICMA contributes technical expertise in municipal governance and an extensive Afghan talent pool. Since 2004, ICMA has been involved in the implementation of nine municipal capacity building programs in Afghanistan.

Synergy International Systems: Synergy has supported the Afghan Directorate of General Budget since 2002 and will manage the assessment, development, and deployment of IFMS and ICT systems. The Synergy IFMS Team Manager (embedded in the SHAHAR Kabul Technical Team) will work closely with GDMA to establish the National IFMS Hub and will spend a substantial amount of time at GDMA.

Afghan Reliable Technology Services (ARTS): ARTS specializes in financial management information systems and will provide software programmers for IFMS and ICT systems.

Assess, Transform and Research Consulting (ATR): ATR is an Afghan capacity assessment and development firm and leads the development and deployment of the MGCI baseline and midline assessments and the development of capacity building plans (CBPs) for SHAHAR municipalities, MABs and GDMA. ATR will train GDMA staff in the use of the MGCI tool and will transfer it to GDMA after Year 2. The Human and Institutional Capacity Development (HICD) Manager (embedded in the SHAHAR Kabul Technical Team) will work with the Kabul Technical Team (KTT) and regional embedded HICD Specialists to develop and implement the CBPs for municipalities and MABs.

Rahman Safi International Consulting (RSI): RSI is an Afghan M&E firm, RSI will lead development and deployment of baseline, midline and endline citizen perception surveys and manages SHAHAR's M&E functions. The RSI M&E Senior Specialist is embedded in SHAHAR's Kabul Central Office.

Lapis: Lapis is an Afghan media & communications firm (MOBY Group) and leads development of municipal communications strategies and related public outreach activities. Lapis' Communications' Citizen Outreach Manager (embedded in the SHAHAR Kabul Technical Team) will work closely with municipalities and GDMA to develop communications and outreach strategies and messaging.

ANNUAL HIGHLIGHTS

Awarded by USAID on November 30, 2014, mobilization and startup activities for SHAHAR began in earnest in January 2015 and continued through April 2015, by which time municipal advisors had been employed and embedded in all 20 SHAHAR partner municipalities. The transition to program implementation activities also began in April 2015 with the development of the Municipal Governance Capacity Index (MGCI) and Citizen Perception Survey (CPS) and related training for the respective field assessment and survey teams. The results of these two tools, along with those of the rapid capacity assessments of the MABs and GDMA, are the primary assessments that have been used to establish the baselines for SHAHAR's Activity Monitoring and Evaluation Plan (AMEP) and that will inform initial municipal, MAB and GDMA capacity building plans. Additionally, these tools will be deployed annually to measure changes over time and to inform adjustments to capacity building plans.

As expected, SHAHAR encountered many of the typical challenges associated with program startup. In addition to those challenges, Afghanistan's ongoing national political transition to the National Unity Government (NUG) made it more difficult than anticipated to align the program expectations and priorities of USAID and SHAHAR with those of IDLG and GDMA, affecting SHAHAR's ability to effect as rapid a transition from startup to program implementation as originally planned.

Despite these challenges, SHAHAR managed to make significant progress in relation to the program implementation activities included in its Year I Work Plan. More importantly, SHAHAR has managed to establish both an increasingly collaborative and productive relationship with IDLG and GDMA, as well as a strong and stable foundation that will greatly facilitate program implementation over the remaining life of the program.

The following is a summary of SHAHAR's Year I (FY 2015) Work Plan progress:

- By early May 2015, all the individual Memoranda of Understanding (MOUs) between SHAHAR and its partner municipalities had been signed by mayors, paving the way for the deployment of SHAHAR municipal embedded teams and the start-up of SHAHAR's municipal-level activities, despite the absence of a fully executed MOU between GDMA/IDLG and SHAHAR.
- Both the MGCI and CPS were deployed in May 2015, with related fieldwork being completed in June 2015.
- The MGCI Municipalities' Capacity Assessment and Baseline Data Collection Report was submitted to USAID on July 27, 2015.
- The Baseline CPS Aggregate Report for all 20 municipalities was submitted to USAID on August 2, 2015; the CPS included 8,000 total surveys (400 surveys per municipality x 20 municipalities).
- The Memorandum of Understanding (MOU) between SHAHAR and IDLG for the collaborative implementation of the program was approved and signed on August 5, 2015.
- Three of the five GDMA municipal advisors were embedded: Governance Advisor, Economic Development/PPP Advisor and Urban Planning Advisor. The two remaining GDMA municipal advisors, Financial Management Advisor and GDMA-SHAHAR Liaison Advisor, are expected to be embedded by November 2015.
- Municipal economic profiling was completed and the updating and upgrading of existing Local Economic Development Plans (LEDPs) is underway.
- Solid waste management (SWM) profiling was completed and the development of SWM Plans is underway in all SHAHAR partner municipalities. This activity is being led by a Solid Waste short-term technical advisor (STTA).

- The scope of work for the ICT assessment was completed, recruitment of the members of the assessment team initiated, with the ICT assessment expected to be initiated at the national and municipal levels during November 2015.
- Training-of-trainers (ToT) workshops for SHAHAR regional and municipal advisors have been conducted in relation to the updating and upgrading of the LEDPs and the preparation of Revenue Generation Action Plans (RGAPs).
- The Competitive Urban Service Delivery Mechanism (CUSDM) Implementation Guide, including project eligibility and selection criteria, was prepared and subsequently approved by both USAID and GDMA. A Project Management/Engineering STTA has been recruited to assist with the implementation of both CUSDM projects and Citizen Service Centers (CSCs) and is expected to arrive in country by November 2015.
- GDMA announced the first round of CUSDM funding marking the commencement of the initial preparation of project proposals by municipalities.
- Preliminary planning and discussions have been held with GDMA and mayors regarding the creation of a National Mayors Network and National Conference.
- The development of Municipal Capacity Building plans (CBPs) at institutional, departmental, and individual levels for all 20 SHAHAR partner municipalities was initiated, including institutional, departmental and individual CBPs.
- A review of all existing SOPs developed by GDMA, with an emphasis on municipal finance, public works, revenue generation, economic development, public-private partnerships (PPPs), and SWM was initiated and is underway.
- An Urban Planning STTA has been recruited to lead the program's efforts to develop urban plans and detailed land use plans for all 20 SHAHAR municipalities and is expected to arrive in-country by November 2015.
- Recruitment of a Municipal Development Fund (MDF) STTA is underway to lead the effort to establish a MDF pilot program.
- Preliminary planning discussions were initiated with GDMA to create and implement a strategy to increase women and youth participation in municipal governance.
- Initial planning is underway to implement initiatives to increase public outreach, transparency and accountability of municipal governance.
- Planning and conceptual development have been completed to re-introduce the Shir Sultan clean cities campaign on a nationwide basis.
- Municipal readiness assessments and initial citizen and municipal official surveys were completed and the establishment of new or improved Citizen Service Centers (CSCs) initiated in all 20 SHAHAR partner municipalities.
- A capacity gap assessment of all 19 existing MABs (one was never established in Qalat) was completed using a contextualized version of the Organizational Capacity Assessment Tool (OCAT) and the development of a CBP for each MAB is expected to be completed by December 2015.

COMPONENT A: ASSISTANCE TO GDMA

SHAHAR – GDMA MOU

The SHAHAR team met with GDMA on February 14, 2015, to discuss the Year I Work Plan, the introductory letter to SHAHAR mayors, the MGCI assessment tool, GDMA counterparts for the Municipal Governance Capacity Index (MGCI) Implementation Team, and the draft GDMA-SHAHAR Memorandum of Understanding (MOU). Work was completed on the initial draft of the program MOU with GDMA, and the SHAHAR technical team then met with USAID on February 24, 2015, to discuss and confirm the response to GDMA's comments.

In a follow up meeting held at the end of the month, GDMA indicated their satisfaction with the draft and how their questions and comments had been addressed.

SHAHAR continued to meet with both GDMA and USAID regarding the MOU between SHAHAR, IDLG, and GDMA. The MOU was finally approved and signed on August 5, 2015, in a ceremony attended by high-ranking IDLG officials led by the Director General and the Deputy Director General for Policy and Technical Affairs, USAID COR, and SHAHAR COP.

By early May 2015, prior to the signing of the MOU with IDLG/GDMA, all the individual Memoranda of Understanding (MOUs) between SHAHAR and its partner municipalities had been signed by mayors, paving the way for the deployment of SHAHAR municipal embedded teams and the start-up of SHAHAR's municipal-level activities despite the absence of a fully executed MoU between IDLG/GDMA and SHAHAR.

INTRODUCTORY MEETINGS

In early April, prior to the execution of a MOU between IDLG/GDMA and SHAHAR, GDMA authorized SHAHAR to begin introducing the program to mayors and municipal staff. On April 14, 2015, GDMA signed the formal introductory letter, and SHAHAR distributed it to all 20 municipalities. SHAHAR advisors conducted face-to-face introductory meetings with mayors, municipal officials and MAB members in all 20 municipalities. In each meeting, SHAHAR advisors presented the program's objectives and briefed municipal officials on the initial activities that will be taking place in their municipalities, specifically the MGCI and CPS assessments, as well as the rapid assessment of Municipal Advisory Boards (MABs).

SHAHAR advisors also began conducting rapid assessments of municipal services and facilities relating to:

- Citizen Service Centers (CSC)
- Integrated Financial Management System (IFMS)
- Business Licensing and *Safayi* Fee Collection
- Revenue Generation Action Plans (RGAPs)
- Operations and maintenance of service delivery or infrastructure projects funded under the Regional Afghan Municipalities Program for Urban Populations (RAMP-UP)
- Economic Development Plans and any PPPs
- Gender mainstreaming and women and youth participation strategies

As part of this rapid assessment, SHAHAR advisors also began collecting key municipal information, including:

- Inventory of computers, printers and other equipment supplied by RAMP-UP
- Copy of the 1394 budget and minutes of related budget hearings

- Status of Public Administration Reform (PAR)
- MAB membership and meeting minutes

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On August 5, the Director General of the Independent Directorate of Local Governance (IDLG), USAID's Contracting Officer's Representative (COR), and SHAHAR's Chief of Party (COP) signed the memorandum of understanding (MOU) for the collaborative implementation of SHAHAR over the life of the program. On behalf of IDLG, the Director General stated that "IDLG is looking forward to a visible impact of the SHAHAR program in capacity building of municipal officials, in generating revenue and in providing better services to citizens." He emphasized the importance of the active participation of citizens, including women and youth, in municipal decision-making.

DEVELOPMENT OF THE INTEGRATED FINANCIAL MANAGEMENT SYSTEM (IFMS) HUB AND NEW MODULES

A.1.3 IFMS – GDMA National Hub

IDLG/GDMA ICT Assessment and Hub Action Plan

On March 30, 2015, SHAHAR advisors participated in a meeting to discuss the status of IFMS at the national and municipal levels. USAID, SHAHAR and IDLG's Information and Communication Technology (ICT) Director attended the meeting. IDLG briefed SHAHAR on its standard IT infrastructure for municipalities, namely the Standard Information Technology System (SINTS), and on its deployment in three pilot municipalities: Aybak, Samangan; Mazar-e-Sharif, Balkh; and Shibirghan, Jawzjan. IDLG considers the establishment of SINTS as a precondition for ICT in municipalities, and thus for IFMS. SHAHAR asked the ICT Director to provide IFMS documentation and other relevant information in preparation for SHAHAR's national and municipal ICT assessments.

In April, SHAHAR met with GDMA and the IDLG Information and Communications Technology (ICT) Directorate to follow up on the IFMS documentation previously requested by SHAHAR and to discuss the establishment of the IFMS working group. The meeting was attended by the IDLG ICT Director, ICT Directorate Head of Database and Geographic Information Systems (GIS) Department, GDMA Head of Fiscal and Assets Management, SHAHAR Senior Revenue Generation and Economic Development Advisor, SHAHAR IFMS Director, and a representative of Afghanistan Reliable Technology Services (ARTS).

The Head of the Database and GIS Department was designated as the focal point for providing IFMS documentation to SHAHAR. SHAHAR presented the IFMS working group concept note and GDMA and IDLG agreed to provide written feedback. By the end of April, SHAHAR had not received any feedback and was subsequently informed that GDMA had decided to suspend all enhancement work on the existing IFMS.

SHAHAR also met with the IDLG ICT Directorate and received documentation relating to IFMS:

- IFMS installation files and user manuals
- IFMS compiled source code
- List of IFMS modules implemented in which locations
- SQL server installation guide
- IDLG ICT network architecture

These files were obtained from the Head of the Database and GIS Department's computer. The IFMS dedicated servers, which are the repository of the aforementioned documents, remain inaccessible due to fire damage to the server room power supply wiring. SHAHAR was also still waiting to receive the un-compiled source code from the IFMS dedicated servers. This is a prerequisite for the planned ICT assessment, and for making improvements to IFMS in the future.

In May, GDMA continued to discuss with the Ministry of Finance (MOF) the feasibility of extending/expanding the latter's Afghanistan Financial Management Information System (AFMIS) to cover municipalities as well. In the meantime, GDMA continued to suspend all enhancement work on the existing IFMS. This suspension also covers other activities, such as the installation of ICT infrastructure and capacity building. During a meeting held on May 18, 2015, the General Director of GDMA indicated to SHAHAR's COP, DCOP, and Senior Municipal Governance Advisor that IFMS was not currently a priority for IDLG/GDMA and that SHAHAR should move most of its IFMS-related programming to its Year 2 Work Plan.

These issues obviously posed potentially significant challenges to the rollout of IFMS. SHAHAR anticipates that the planned ICT assessment of the municipalities, which will proceed as currently planned, will help the project identify the extent to which these challenges will require adjustments to its Year 1 and Year 2 Work Plans, as well as provide a basis for decision-making by IDLG/GDMA regarding the future direction of ICT/IFMS program activities.

By June, the scope of work for the ICT assessment had been finalized and was ready to be presented to both IDLG/GDMA and USAID. The assessment is the first phase of a work plan that intends to establish an ICT national hub within IDLG/GDMA, improve and develop the functionality of the existing IFMS in municipalities, improve the capacity of municipalities to use the IFMS, and strengthen the linkages between municipalities and national government agencies, primarily GDMA/IDLG.

SHAHAR partners Synergy International Systems and ARTS will be responsible for conducting the ICT assessment, with SHAHAR technical advisors overseeing their work.

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In July, Synergy International began recruitment of personnel who will be involved in the ICT assessment. The questionnaire for identifying the specific problems municipalities are encountering in the use of the IFMS was finalized and circulated to municipalities.

Kabul Municipality, under an earlier USAID-funded project called the Kabul City Initiative (KCI), developed its own integrated financial management information system (IFMIS), similar to the IFMS developed under the RAMP-UP program. SHAHAR met with the developers of IFMIS to learn about their success in the development and implementation of the system, the challenges they encountered, and their plans for rolling out the system.

On August 9, a meeting was called by the IDLG ICT Director to discuss the establishment of a joint assessment team involving two ICT specialists from IDLG ICT Directorate and the establishment of the IFMS working group, including a Steering Committee. In this connection, SHAHAR requested IDLG/GDMA to convene a meeting focusing on the working group to be attended by USAID and other stakeholders, such as GDMA, SHAHAR, and the Ministry of Finance (MoF).

The IDLG/GDMA requested a Dari version of the assessment plan, which had previously been submitted and presented in English. In addition, GDMA requested a presentation of the findings of the results of the rapid assessment of IFMS technical problems in the municipalities.

On August 22, a coordination meeting was held at the IDLG ICT Directorate to discuss the possible linkage of the Afghanistan Financial Management Information System (AFMIS) of the MoF with IDLG's IFMS for municipalities. During the meeting, MoF representatives specified that the AFMIS would require the tracking of both revenue and expenditure transactions involving each municipality's approved annual budget. For this, they requested, and GDMA promised to provide, the various IFMS business processes. They also confirmed that AFMIS is a nationwide system and is not designed to accommodate the level of detail of financial and non-financial transactions in municipalities. They reiterated their suggestion to IDLG to continue the enhancement and development of IFMS for the specific use of Afghan municipalities.

After the meeting with MoF, GDMA and IDLG ICT Directorate and SHAHAR continued the discussion on the establishment of the ICT Working Group, especially the Steering Committee. It was concluded that the issue should be discussed with the IDLG's Deputy Director General for Policy and Technical Affairs. Later in the week, GDMA informed SHAHAR that the Deputy had agreed to organize the Steering Committee with functions and membership as provided for in the terms of reference (ToR) presented together with the ICT assessment scope of work.

A summary of the results of the rapid assessment of existing IFMS technical problems was prepared in English and was translated into Dari. The material will be used for the presentation and discussion requested earlier by GDMA.

In September, the activity proposal and corresponding budget for the ICT assessment was drafted. The assessment questionnaire was completed and circulated for internal review, after which it was presented to and discussed with GDMA and IDLG's ICT Directorate. In addition, the online forms for the assessment of citizen service centers were revised based on the comments from GDMA and users.

The inaugural meeting of the ICT Steering Committee was held on Monday, September 21, at the office of IDLG's Deputy Director General for Policy and Technical Affairs. SHAHAR made a short presentation of the scope of work of the planned ICT assessment to be conducted in IDLG/GDMA and in SHAHAR partner municipalities, as well as the terms of reference of the Steering Committee, especially its roles and responsibilities in the implementation of SHAHAR's ICT component. SHAHAR emphasized the committee's role of setting the component's vision and direction and of mobilizing the support of stakeholders, especially those outside IDLG, for the related activities. SHAHAR also discussed the linkage between IDLG's IFMS and MoF's AFMIS, which is being administered by the MoF Treasury Department. Both GDMA and SHAHAR confirmed that IFMS and AFMIS can and should co-exist, but with the necessary linkage between the two. GDMA further reported that the developers of IFMS assured them that the two systems are technically compatible.

In summarizing the proceedings, the Deputy Director General provided his approval for the ICT assessment to proceed immediately. He also required monthly reporting of its progress.

BASELINE AND ANNUAL MUNICIPAL GOVERNANCE CAPACITY ASSESSMENTS

A.1.4 Develop Municipality Governance Capacity Index (MGCI) and Prepare Municipalities' Capacity Assessment and Baseline Data Collection Report

Municipal Governance Capacity Index

The Municipal Governance Capacity Index (MGCI) is structured to assess and score municipal performance in the five essential governance skill areas that SHAHAR will be providing support: Revenue Generation and Financial Management, Governance and Strategic Planning, Service Delivery and Project Management, Capacity Development and Administrative Reform, and Governance and Community Outreach.

As part of the induction workshop for SHAHAR Strategic Planning Advisors/Team Leads and Regional Technical Directors, the SHAHAR technical team facilitated a review of the MGCI assessment tool. This helped improve the structure, clarity of language and administration of the assessment, as well as the identification of data sources for the assessment areas.

The MGCI assessment tool was then revised, and data collection forms and an assessment guide were drafted.

GDMA officials and SHAHAR advisors constituted a committee, which met on March 24-25, 2015, and reviewed, revised and approved the MGCI manual for pilot implementation.

From an original list of five municipalities, GDMA selected 3 municipalities for the pilot assessment: Zaranj, Nimroz; Sari Pul, Sari Pul; and Bazarak, Panjshir. GDMA also agreed that these municipalities would form the control group for the MGCI, and would therefore be assessed periodically throughout the life of the program, but would not receive support from SHAHAR. This will enable SHAHAR to compare changes in performance in SHAHAR supported municipalities against non-SHAHAR supported municipalities.

SHAHAR submitted the GDMA approved MGCI Manual to USAID for review and comments. On March 26, 2015, SHAHAR advisors briefed USAID on the MGCI tool, reviewed timelines for conducting the pilot and the baseline assessment, and discussed approaches for transferring the tool to GDMA.

From March 30, 2015, to April 1, 2015, SHAHAR advisors conducted a training course in Kabul for the three MGCI pilot assessment teams and their GDMA counterparts. The training included an introduction to the MGCI framework and practical sessions on overcoming data collection challenges and implementation planning. During the training, Dari and Pashto translations of the Data Collection Forms were reviewed and revised.

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In July, the SHAHAR team continued reviewing and editing the MGCI Capacity Assessment and Baseline Data Collection Reports for all 20 municipalities, plus the overall MGCI summary baseline report. All 21 reports were submitted to USAID and GDMA prior to July 29, 2015.

CITIZEN PERCEPTION SURVEY (CPS)

The Citizen Perception Survey was developed and administered with the goal of interviewing 8,000 citizens across the 20 municipalities where SHAHAR would be working to determine citizen perceptions, priorities and attitudes regarding municipal service delivery, the quality of services delivered and the effectiveness of municipal communications and outreach efforts.

SHAHAR partner RSI deployed the CPS questionnaire onto its smart phone platform and started training survey teams. SHAHAR and RSI ensured that recruited surveyors were familiar with the survey locations and could speak the local language. Training courses were organized regionally to minimize travel for surveyors and to enable them to practice using the survey tool in the appropriate language. On April 20-21, 2015, the first training course took place in Hirat, and then, on April 25-26, a further training course was held in Mazar-e-Sharif. Finally, on April 29-30, a further training was held in Kabul. In total, 123 surveyors, more than half of which were women, attended these three training courses. Participants were trained on how to implement the smartphone-based survey instrument, select interviewees, and identify survey locations. They also practiced completing and submitting the survey data to the central server in Kabul.

SHAHAR embedded advisors also began briefing mayors and MABs on the CPS in preparation for its deployment in May. At the same time, RSI and SHAHAR staff met with GDMA officials to present and discuss the survey. As a result of the discussion, SHAHAR agreed to make a number of changes to the survey methodology, including expanding the sampling from residential districts to include commercial areas and business owners. SHAHAR also agreed to provide GDMA with the raw data upon completion of the survey and translated reports.

RSI and SHAHAR later met with USAID to review the survey questionnaire. USAID provided feedback on the questionnaire and emphasized the importance of ensuring that the questionnaire is consistent with questionnaires deployed by other USAID municipal governance surveys. USAID also requested that SHAHAR review the AMEP to ensure its consistency with the survey. SHAHAR began reviewing the questionnaire and AMEP in light of this feedback.

RSI incorporated the feedback from USAID and GDMA into the final questionnaire, which was then submitted to SHAHAR for review and subsequent approval. The approved final questionnaire was given to the database development team for deployment on the smart phone application.

In June the CPS team successfully completed the field baseline survey. In doing so, a total of 9,268 interviews were conducted, with 4,629 men and 4,639 women respondents. The CPS data quality assurance (DQA) team reviewed/checked all 9,268 interviews, discarding 1,268 of them for various data control issues, and verified the remaining 8,000 surveys.

July – September 2015 Quarterly Data

RSI submitted the first draft of the Baseline CPS Report to the Kabul Technical Team for review and feedback, and then revised the report based upon that feedback.

The SHAHAR team presented the results of the CPS to USAID on September 3. USAID senior staff from different departments, including the gender team, Office of Project Planning and Development (OPPD), and Office of Democracy and Governance (ODG) attended the presentation.

GDMA EMBEDDED ADVISORS

A.1.7 GDMA Municipal Advisors Embedded

Initially it was intended that three advisors be embedded in GDMA. However, at the request of GDMA, SHAHAR agreed to provide five embedded positions to provide daily technical assistance in overseeing municipal performance, preparing implementing regulations and guidance materials, managing the Municipal Development Fund (MDF) pilot program, and performing GDMA's other mandated functions. These five full-time embedded advisors will include a GDMA-SHAHAR Liaison Advisor, Governance Advisor, Financial Management Advisor, Economic Development Advisor, and Urban Planning Advisor.

The recruitment of the foregoing advisors is based on the provision of the signed GDMA-SHAHAR MOU. For each position, GDMA and SHAHAR each prepare a short list of three candidates from a common pool of applicants. The two short lists are combined to form the final short list. Interviews of short-listed candidates are conducted by a selection panel composed of GDMA officials and SHAHAR advisors. Based on the interviews, two or three candidates are selected to take the written test with questions jointly prepared by GDMA and SHAHAR. The final selection is based on the results of the interviews, the written test and the consensus agreement of the selection panel.

July – September 2015 Quarterly Data

The SHAHAR team continued reviewing the existing draft of the PPP guidelines received by GDMA and prepared a comprehensive report with comments and observations about the regulations developed by the MoF.

The first two GDMA embedded advisors, Governance and Urban Planning Advisors, reported to work at the SHAHAR office on August 1 for onboarding and a program orientation before reporting to their primary duty station at GDMA. They were subsequently introduced to the GDMA Director and senior staff on August 3.

The SHAHAR team continued reviewing the existing draft of the PPP guidelines received by GDMA and prepared a comprehensive report with comments and observations about the regulations developed by the MoF.

COMPONENT B: ASSISTANCE TO MAYORS AND MUNICIPAL ADMINISTRATIONS

EMBEDDED MUNICIPALITY ADVISORS

B.1.1 Municipalities' Advisors Embedded

GDMA signed a formal introductory letter on April 14, 2015, and distributed it to all 20 municipalities, which enabled the deployment of SHAHAR embedded advisors to their assigned locations. SHAHAR advisors conducted face-to-face introductory meetings with mayors, municipal officials and MAB members in all 20 municipalities.

Upon mobilization, the first major activity of the embedded teams was to conduct a municipal rapid assessment. The assessment provided a general picture of the kind of working environment the advisors will have to contend with in each municipality, including the adequacy of office space, availability of furniture and fixtures, reliability of power supply, and internet connectivity, among other factors. The assessment served as the basis for mobilizing immediate logistical support from both SHAHAR's regional hubs and Kabul Central Office. It also became the take-off point for short-term work planning by the embedded teams. The rapid assessment was completed before the rollout of the MGCI assessment and CPS in municipalities. The results of the rapid assessment were finalized in early June and subsequently submitted to USAID and GDMA.

MUNICIPAL PPP UNIT ESTABLISHED WITH SHAHAR ASSISTANCE

B.1.2.6 Establishment of PPPs

July – September 2015 Quarterly Data

In August, the SHAHAR team in Shibirghan successfully convinced the municipality's senior management to re-outsource the bus terminal constructed under the former RAMP-UP North program. With the municipal government's positive response, the SHAHAR team supported municipal staff through the entire tendering process, including the recalculation of costs and benefits. On August 24, the Shibirghan Mayor and the private-sector contractor signed the operations and maintenance outsourcing agreement.

Under the agreement, the contractor will operate and maintain the bus terminal for the next five years, collecting fees from users. In return, the contractor will pay the municipality AFN 11,287 per month, which represents a 5% increase over the AFN 10,750 monthly income that the municipality received under the previous contract. In addition, the contractor is also obligated to undertake the following:

- Construct a mosque close to the bus terminal
- Concrete the western footpath of the bus terminal

- Install glass walls around the waiting hall
- Install a power transformer with a capacity of 20 KW
- Pave the waiting hall with mosaic tiles
- Install four big trash bins within the bus terminal

In order to ensure the proper operation and maintenance of the facility, the contractor and the municipal focal point are required under the aforementioned agreement to fill out weekly and monthly forms for maintenance and monitoring, monthly users', and asset management checklists, which the SHAHAR embedded team designed in collaboration with municipal officials.

ECONOMIC DEVELOPMENT PLANS

B.1.3 Economic Development Plans for Each Municipality

Existing local economic development plans (LEDPs) of 19 out of 20 SHAHAR municipalities, both in English and in national languages, were compiled. Procedures and guidelines for updating these documents were developed, together with a template for municipal economic profiling. The template was pilot-tested in Puli Alam and subsequently distributed to the municipal embedded teams for transmittal to the relevant municipal officials who will be responsible for its implementation.

B.1.3.1 Interactive Public Workshops and Municipal Conference

July – September 2015 Quarterly Data

In August, the SHAHAR advisors held a workshop on updating the existing Local Economic Development Plan (LEDP) in Aybak, Puli Khumri, Maymana, Ghazni, Puli Alam, Chaharikar, Mihtarlam, Maydan Shahr, Gardiz, and Asadabad municipalities. The participants included mayors, key municipal officials, Municipal Advisory Board (MAB) members, officials of provincial line directorates, including the Directorate of Women's Affairs (DoWA), as well as private sector, youth, and civil society representatives. At the end of the workshop, Aybak, Puli Khumri and Maymana established their respective LEDP steering committees.

Mazar-e-Sharif, Tirin Kot, Lashkar Gah, Feroz Koh, and Qala-I-Naw municipalities, with the assistance of SHAHAR advisors, each presented their existing Economic Development Plans (EDPs) to key municipal officials, MAB members, and other stakeholders. At the end of the event, the participants agreed on the establishment of a steering committee in each municipality composed of officials of various departments to spearhead the updating and upgrading of the EDP.

On September 12-16, a regional workshop for updating and upgrading the existing Local Economic Development Plans (LEDPs) was conducted in Mazar-e-Sharif Regional Office with 23 participants (four women and 19 men).

Municipal-level LEDP workshops were held in Hirat and Qalat. Attended by 20 participants (three women and 17 men), the Hirat workshop ended with the establishment and nomination of the members of the LEDP steering committee, technical team and working groups. Also, 20 municipal officials and stakeholder representatives attended the workshop in Qalat. The main objective of the workshop was for municipal officials and stakeholders to review the existing LEDP developed under RAMP UP.

B.1.3.2 Comparative Advantages Appraisal and EDP Development/Updating

July – September 2015 Quarterly Data

In August, a training-of-trainers (ToT) workshop for updating and upgrading the municipalities' LEDPs was conducted on August 2-4 in SHAHAR's Kabul Central Office. The participants included 20 Strategic Planning Advisors/Team Leads, 19 Community Outreach Advisors, 4 Regional Economic Development and Revenue Generation Senior Specialists, 4 Regional Communications and Advocacy Specialists, and the Communications and Citizen Outreach Manager from the Kabul Central Office. Of the 48 participants, 19 were women. The Head of GDMA's Economic Development Department attended a portion of the first day of the ToT and encouraged the participants to do their very best in transferring the knowledge and skills they acquired from the training to their municipal counterparts.

The training stressed the importance of making sure that municipalities first fully understand their existing LEDPs, developed during the RAMP UP program, and that the updating and upgrading process is participatory and inclusive.

As a follow-up to the training, specific tasks were assigned to embedded advisors. The performance of these tasks is continuously monitored by the Kabul Technical Team. Meanwhile, the preparation and finalization of municipal economic profiles continued. The final review of the economic profiles of Asadabad, Shibirghan, Mazar-e-Sharif, Qala-l-Naw, Ghazni, Maydan Shahr, Mihtarlam, Tirin Kot, Qalat, Chaharikar, Aybak, and Feroz Koh were completed and the documents sent back to the municipality for integration in the updated LEDPs. The updating and upgrading of the economic profiles for Puli Alam, Puli Khumri, Asadabad and Mihtarlam were likewise completed, with the corresponding documents submitted to the Kabul Technical Team for final review.

The SHAHAR Strategic Planning Advisors/Team Leads met with the mayors of their municipalities, coordinated all the required procedures for updating the LEDP, and prepared the mayors for the stakeholder meetings where the updated municipal economic profiles will be presented.

The LEDP updating and upgrading work flow, including timelines and designation of responsibilities, was presented as part of the regular general program update provided to the Regional Technical Directors (RTDs).

The SHAHAR team in Mazar-e-Sharif Municipality scheduled a presentation of the existing LEDP to municipal officials and stakeholders on September 6. In preparation for the event, the SHAHAR Strategic Planning Advisor/Team Lead met with the Mazar-e-Sharif Municipality Deputy Mayor and assisted him in developing the presentation, agenda, invitation letters, and an action plan for LEDP updating and upgrading that will be proposed in the forum for adoption.

On September 6-8, SHAHAR East Region conducted the LEDP updating and upgrading workshop in SHAHAR's Kabul Central Office targeting the municipalities of Jalalabad, Asadabad, Mihtarlam, Chaharikar, Puli Alam, Gardiz, Maydan Shahr, and Ghazni. Municipal participants were mostly Planning Managers, Revenue Managers, and Technical Sectorial and General Managers. SHAHAR's Strategic Planning Advisors/Team Leads were also on hand to assist in workshop facilitation.

On September 12-16, the SHAHAR Strategic Planning Advisors/Team Leads supported senior municipal staff in establishing LEDP steering committees in Chaharikar, Gardiz, Maydan Shahr, and Asadabad. Kandahar and Lashkar Gah completed the updating of their municipal economic profiles.

Technical assistance was provided to the SHAHAR West Region in preparing for the LEDP updating and upgrading workshop scheduled to take place in October in SHAHAR's Regional Office in Hirat.

An initial coordination meeting was held at GDMA between SHAHAR advisors and GDMA officials. The occasion served as a forum for sharing ideas and experiences related to economic development and public private partnerships between the two groups. The meeting will henceforth become a weekly event.

On September 19, Mazar-e-Sharif, Aybak, Puli Khumri, Shibirghan, Maydan Shahr, and Asadabad SHAHAR Strategic Planning Advisors/Team Leads and Community Outreach Advisors met with their municipal counterparts to discuss the establishment of Steering Committees, Technical Teams and Working Groups for the updating and/or upgrading of their LEDPs. As a result, Aybak Acting Mayor and Puli Khumri municipal officials committed to circulate official letters to their respective Governor's Offices for the establishment of the Steering Committees in the coming weeks. Mazar-e-Sharif and Shibirghan municipalities have already circulated official letters to their respective Governor's Offices, Economic Directorates and other relevant governmental officials and entities in order to request the introduction of their representatives to the LEDP Steering Committee.

Due to a flight cancelation from Feroz Koh to Hirat, the workshop to update and/or upgrade the West Region's Local Economic Development Plan was postponed to October 12-14. Expected workshop participants include three municipal permanent staff and two SHAHAR embedded advisors from each West Region municipality.

COMPETITIVE URBAN SERVICE DELIVERY MECHANISM (CUSDM)

B.2.2.1 Finalization of Eligibility Requirements for the Mechanism

July – September Quarterly Data

On August 4, 2015, the Implementation Guide for the Competitive Urban Service Delivery Mechanism (CUSDM) was presented to the senior management of GDMA. Among the major inputs received during the presentation was for SHAHAR to emphasize capacity building of municipal staff in all phases of the project lifecycle, especially implementation, and to give due consideration to projects that are revenue-generating and have the potential for public-private partnerships (PPPs).

Another meeting with GDMA officials was held on August 9 for SHAHAR to respond to issues/questions raised about the CUSDM Implementation Guide. It was agreed at the conclusion of the meeting that the guide could be finalized and submitted to GDMA in Dari. It was also agreed to arrange a meeting between the GDMA Director and SHAHAR's Chief of Party (COP) to establish the total amount of the CUSDM fund that will be made available during the first round of funding for projects that will be implemented during fiscal year 1395 (2016) and the ceiling of SHAHAR's contribution to each municipality. This meeting took place on August 11, and the ceiling for SHAHAR contribution was set at USD \$120,000 per municipality constituting 75% of total cost. Each municipality will contribute another USD \$40,000 or 25% of total cost, for a total of up to USD \$160,000 implementation cost per municipality. Based on these figures, the total amount of CUSDM funding that will be made available for the first round is USD \$1.92 million, which was later rounded off to USD \$2.0 million. GDMA once again confirmed that CUSDM will benefit only 16 municipalities, excluding the large regional hubs of Mazar-e-Sharif, Kandahar, Jalalabad, and Hirat.

During the meeting, participants agreed to officially launch the first round of funding in early September to allow enough time for municipalities to prepare their project proposals. GDMA will prepare an official letter for this purpose and circulate it to the mayors of the 16 beneficiary municipalities.

In September, the Dari and Pashto versions of the CUSDM launching announcement were submitted to GDMA for the signature of IDLG's Deputy Director General for Policy and Technical Affairs. SHAHAR scheduled the CUSDM orientation for its embedded Project Management/Engineering Advisors and designated representatives of municipalities on September 17. A one-day agenda was prepared and submitted to GDMA for review and acceptance. Pursuant to the decision of GDMA to exclude the regional hubs of Mazar-e-Sharif, Kandahar, Jalalabad, and Hirat from access to CUSDM funding; only 16 municipalities were invited to attend the orientation.

B.2.2.2 Preparation of Municipalities to Use the Mechanism

July – September 2015 Quarterly Data

The one-day orientation on the CUSDM was held as planned on September 17 at SHAHAR's Kabul Central Office. All the 16 CUSDM target beneficiary municipalities were represented. Also attending were SHAHAR's municipal embedded Project Management/Engineering Advisors and regional Public Service Delivery Senior Specialists. Pursuant to the decision of GDMA to exclude the regional hubs of Mazar-e-Sharif, Kandahar, Jalalabad, and Hirat from access to CUSDM funding, only 16 municipalities were invited to attend the orientation.

Aside from a discussion of the CUSDM Implementation Guide, sessions on SHAHAR's procurement and subcontracting procedures as well as the preparation of project briefs and detailed proposals for CUSDM funding were also held. GDMA, for its part, discussed national priorities and lessons learned from similar past activities that municipalities should consider in project identification, selection, and implementation.

PREPARE AND IMPLEMENT CUSTOMIZED CAPACITY BUILDING PLANS FOR MUNICIPAL OFFICIALS

B.1.6 Create Municipal Governance Capacity Index (MGCI) Tool and Complete Baseline Assessment

Development of capacity building activities began and continued in conjunction with the initial drafting of the Capacity Assessment and Baseline Data Collection Reports for all 20 municipalities.

July – September 2015 Quarterly Data

The reports for all 20 municipalities, as well as the overall MGCI summary baseline report, were submitted to USAID and GDMA prior to July 29, 2015.

UNDERTAKE INITIATIVES TO INCREASE PUBLIC OUTREACH, TRANSPARENCY, AND ACCOUNTABILITY OF MUNICIPAL GOVERNANCE

B.1.11.1 Municipal Communications Strategies

The SHAHAR Communications and Advocacy Specialists and Public Outreach and Administrative Reform Advisors of all four regions completed the rapid communications assessment with key municipal officials and Municipal Advisory Board (MAB) members in all 20 SHAHAR municipalities. They have completed uploading the rapid communications assessment data to the online database and are currently analyzing the collected data.

CONDUCT ASSESSMENTS, DEVELOP PLANS, AND PROVIDE TECHNICAL ASSISTANCE ON SOLID WASTE MANAGEMENT (SWM)

B.1.12 Create Municipalities' Plans for Solid Waste Management

A template for solid waste management (SWM) profiling was developed and pilot tested in Chaharikar. The SWM profile will serve as the basis for preparing a SWM plan for each municipality.

July – September 2015 Quarterly Data

The solid waste management (SWM) profile of Qala-I-Naw was completed and mapped using satellite imagery. The GPS points are geo-coded into the imagery, which provides summarized SWM profile tables and locations of

concrete trash and metallic trash bins, as well as informal waste dumpsites. The map also shows the frequency of clearing all trash bins and the contour lines showing the elevation for the existing final disposal site.

The SWM profile of Puli Khumri was converted to a GIS atlas with a scale of 1:500 in English and in Dari. Containing 244 pages, the atlas provides the following information:

- Trash collection points
- Frequency of trash collection from each collection points
- Contour lines
- Parcels

The SWM profile of Qalat was plotted in an A0 size paper. Two copies of the profile were sent to the municipality.

In all SHAHAR partner municipalities, the SHAHAR team continued coaching the Municipal Cleaning and Greening staff in completing the supplementary questionnaire for SWM profiles and in collecting the additional required data pertaining to the SWM service area coverage.

On September 1, GDMA and UN Habitat provided SHAHAR with the GIS maps of 17 SHAHAR partner municipalities with specified municipal boundaries certified by the Ministry of Urban Development Affairs (MUDA).

The SWM profile of Asadabad was completed and plotted on satellite imagery. The Qala-I-Naw SWM profile was converted to a GIS atlas with a scale of 1:500 in English and Dari.

The SWM profile of Mihtarlam was converted to GIS atlas with a scale of 1:1000 in English and Dari. The SHAHAR SWM team traveled to Mazar-e-Sharif, Aybak and Shibirghan municipalities to observe actual practices and conditions as a basis for refining the standard operating procedures and guidelines for integrated SWM.

B.1.12.2 Waste Audits

July – September 2015 Quarterly Data

The Project Management/Engineering Advisors of Kandahar, Qalat, Tirin Kot, and Lashkar Gah, in collaboration with the South Region team, completed the review of the solid waste audit procedures. The team provided and shared additional comments, which are now being used as a basis for improving the procedures.

B.1.12.3 Development of SWM plans

July – September 2015 Quarterly Data

The training in SWM planning was held in SHAHAR's Kabul Central Office on September 13-16 with participants composed of all municipal embedded Project Management/Engineering Advisors and the regional Public Service Delivery Senior Specialists.

Advisors in Ghazni, Jalalabad, Mihtarlam, Qalat, Lashkar Gah, Aybak, Puli Khumri, Puli Alam, and Gardiz met with their respective municipalities' Cleaning and Greening Departments and Mayors to discuss the CUSDM and SWM Plan processes, including the 3Rs (Reduction, Re-use, and Recycling of generated wastes), possible SWM public-private partnerships (PPPs) and the status of existing landfills and dumpsites. Each municipality's Cleaning and Greening Department agreed to establish a SWM committee with representation from the health sector, the municipality, MAB, and the provincial Directorates of Education and Environment to collaboratively prepare a

comprehensive SWM Plan for their municipality.

The plan for conducting the SWM Planning regional workshops has been completed. The workshops will be delivered next month in Mazar-e-Sharif, Hirat and Kandahar.

IMPLEMENTATION AND UTILIZATION OF THE IFMS

B.1.16 Develop an Implementation Plan for IFMS in Each Municipality

Municipal Assessments and Development Plan

During the first few months of the project, SHAHAR began gathering preliminary information in preparation for its national and municipal ICT assessment. By June, the scope of work for the ICT assessment had been finalized and was ready to be presented to both IDLG/GDMA and USAID. The assessment is the first phase of a work plan that intends to establish an ICT national hub within IDLG/GDMA, improve and develop the functionality of the existing automated financial management information systems in municipalities, improve the capacity of municipalities to use those systems, and strengthen the linkages between municipalities and national government agencies, primarily IDLG/GDMA. SHAHAR partners Synergy International Systems and ARTS will be responsible for conducting the ICT assessment, with SHAHAR technical advisors overseeing their work.

July – September 2015 Quarterly Data

Synergy International, the subcontractor mainly responsible for the SHAHAR's ICT component, has started the recruitment of personnel who will be involved in the ICT assessment. The questionnaire for identifying the specific problems municipalities are encountering in the use of the IFMS was finalized and circulated to municipalities. The completed questionnaires were submitted by the first week of August.

Kabul Municipality, under an earlier USAID-funded project called the Kabul City Initiative (KCI), developed its own integrated financial management information system (IFMIS), similar to the IFMS developed under the RAMP-UP program. SHAHAR met with the developers of IFMIS to learn about their success in the development and implementation of the system, the challenges they encountered, and their plans for rolling out the system. During the meeting, a working version of the system was demonstrated.

ESTABLISH AND DEVELOP SYSTEMS FOR A CITIZEN SERVICE CENTER (CSC), OR IMPROVE EXISTING ONE, IN EACH MUNICIPALITY

B.1.18.1 Municipal Readiness Assessment

July – September 2015 Quarterly Data

In August, the CSC Municipal Readiness Assessment tools were developed both for municipalities with existing CSC facilities (albeit at varying levels of functionality) and for those without any semblance of a CSC. During the reporting period, the tools underwent a second review by the CSC team in the Kabul Central Office and were subsequently finalized. A ToT for Community Outreach Advisors and Administrative Reform Advisors in the use of the assessment tools took place on Thursday, August 27.

BUSINESS LICENSING, SAFAYI COLLECTION, HOUSING NUMBER PLATES, MOBILE MONEY, AND OTHER FORMS OF REVENUE GENERATION

B.1.19 Assist Municipalities to Continue Systematic Registration of Properties and Businesses to

Create a More Accurate GIS-based Database for Levying and Collecting Business Fees and Safayi Tax

In April, SHAHAR advisors began conducting rapid assessments of municipal services related to business licensing and property registration. In May, a report was prepared to support the achievement of deliverable B.I.19: *Assist municipalities to continue systematic registration of properties and businesses to create a more accurate GIS-based database for levying and collecting business licensing fees and Safayi taxes*. The focus of the report was on the ongoing and planned immediate assistance to be provided to municipalities to ensure robust yields from these two revenue sources. It also provided the number of registered properties and businesses, as well as those still to be registered. The report was officially submitted to USAID for approval in June.

A collateral finding was the suspension of the operation of the IFMS in several municipalities where it was installed during RAMP-UP due to various technical problems. SHAHAR then developed a survey questionnaire to gather more details about these technical problems as the basis for planning and implementing an appropriate response. Unfortunately, none of the present SHAHAR technical staff were involved in the development of IFMS, and it could therefore not be ascertained if anything could be done to solve the problems without resorting to the mobilization of additional expertise.

Municipalities in the East Region, which are using the business licensing and fee collection system (BLFCS) and *Safayi* tax billing and collection system (STBCS) developed by RAMP-UP East, both of which are different from comparable IFMS modules, also reported problems with these systems to the extent that in most cases they had to suspend collection of the business licensing fees and *Safayi* taxes, thus endangering their ability to realize their revenue budgets for the current fiscal year. To assist municipalities in solving these problems, SHAHAR mobilized two of its advisors who were involved in the development and deployment of these systems with the mandate to bring these systems back to their original functionality.

July – September 2015 Quarterly Data

In August, Mihtarlam Municipality requested technical assistance from the SHAHAR team to activate ArcGIS software for calculating areas of properties, measuring the length of roads, digitizing new surveyed properties in the GIS system, and determining waste collection points in the satellite imagery. For this purpose, the SHAHAR GIS Senior Manager visited the municipality on August 9-10 and activated the ArcGIS software in four computers of municipal units. Basic training in ArcGIS was provided to five operators focusing on how to survey a property, digitize a property in satellite imagery, calculate the area of a property, measure the length of a road, and identify different locations on the GIS map. An orientation in the other GIS functions was also provided.

B.I.20 Develop Revenue Generation Action Plans for Each Municipality

July – September 2015 Quarterly Data

Previous municipal revenue generation action planning documents, especially those from RAMP-UP, were gathered. At the same time, budget execution results (both revenues and expenditures) of all SHAHAR municipalities, as well as their budgets for 1394, were collected to provide the basis for developing the procedures, guidelines, and templates for the formulation of the Revenue Generation Action Plans (RGAPs).

On August 17, the SHAHAR Financial Management Advisors in Puli Khumri, Asadabad, Jalalabad, Mihtarlam, Puli Alam, Gardiz, Chaharikar, Maydan Shahr, and Ghazni coached the respective Municipal Revenue Managers in collecting the data that will be required for preparing the profiles of five revenue sources for use during the ToT in RGAP Preparation.

An outline of a RGAP Preparation and Implementation standard operating procedure was prepared and served as

the basis for the design of the RGAP training. On August 23-26, the SHAHAR team conducted a four-day ToT workshop in RGAP Preparation and Implementation. The workshop consisted of presentations and facilitated discussions, as well as practice sessions in the preparation of the various components of the RGAP document, such as municipal financial profiling, RGAP-based medium-term revenue projection and revenue-target setting, and formulation of revenue improvement measures.

Although quite similar to trainings and workshops conducted in the past, the ToT workshop introduced new elements, such as the revenue-expenditure gap and financial sustainability analyses. These are now part of the municipal revenue profiling, encouraging municipal governments to intensify their efforts to identify and collect the more stable, reliable, and predictable fixed revenue sources. Also added to the workshop, and into the RGAP document, is the preparation of a community outreach plan to create wider awareness on the responsibility of citizens to pay taxes, fees, and user charges and on what the municipal government does with the collected revenue.

The materials used for the ToT workshop were then compiled for translation into Dari and Pashto. The translated versions will be circulated to SHAHAR's regional and municipal embedded teams for the replication of the workshop in regional hubs targeting municipal revenue officials. For this purpose and for other municipal-based activities related to RGAP preparation, the Senior Revenue Generation and Economic Development Specialists in all four regions prepared activity proposals and detailed budget estimates.

On August 29, the SHAHAR Financial Management Advisor assisted the Gardiz Municipal Revenue Manager and Business License Officer in reviewing the existing Revenue Improvement Action Plan (RIAP) developed under the former RAMP-UP East. The municipality also started work on the new RGAP document by identifying seven revenue sources for improvement and preparing the profiles for five of them.

On August 31, the SHAHAR Financial Management Advisors in Mazar-e-Sharif, Aybak, and Shibirghan met with the Municipal Revenue Managers to prepare for the RGAP workshop, which will be conducted in the North Region on October 2-6. The Municipal Revenue Managers requested SHAHAR advisors to coach them in developing municipal financial and revenue-source profiles.

During September, Mazar-e-Sharif, Aybak, Puli Khumri, Maydan Shahr, Puli Alam, Ghazni, Tirin Kot, Lashkar Gah, and Feroz Koh SHAHAR Financial Management Advisors coached municipal revenue staff in identifying five revenue sources for inclusion in each municipality's RGAP.

On September 12 -16, the SHAHAR Financial Management Advisors of Hirat, Feroz Koh, Qala-I-Naw, Asadabad, Maydan Shahr, Mihtarlam, Puli Alam, Jalalabad, and Ghazni met with the Municipal Revenue Managers to identify revenue sources for the RGAP regional workshop, which is scheduled in October 2015. They also coached the Municipal Revenue Managers in developing municipal financial and revenue-source profiles.

On September 21, Hirat and Feroz Koh Financial Management Advisors, in cooperation with relevant municipal, departments collected revenue, expenditure and *Safayi* tax average data for their respective RGAPs.

At GDMA's request, the RGAP Preparation and Implementation Workshop to be conducted in the four regional hubs for municipal revenue and finance officials was expanded to include the preparation of the annual budget and procurement and contracting rules and regulations. The procurement and contracting sessions will be delivered by GDMA.

B.1.21 Implement a Scheme for Each Municipality to Assign Housing Numbers

July – September 2015 Quarterly Data

On August 2, GDMA furnished SHAHAR with its municipal addressing manual, which was a three-page document devoted solely to the design and dimensions of the housing number plates and street signs. The manual is limited

in that it lacks, for example, conventions for street naming and the assignment of property/parcel numbers. SHAHAR agreed to develop its own addressing manual based on international practices, which should also include guidelines on how to make the addressing system a sustainable practice in the municipalities. Once completed, the manual will be presented to GDMA for comments and acceptance. At the same time, data are now being gathered on the estimated number of properties/parcels in the SHAHAR municipalities, as a basis for determining the budget that should be allocated for this activity. In this regard, it is important to note that GDMA has specifically requested that SHAHAR exclude the four regional hub municipalities (Mazar-e-Sharif, Kandahar, Jalalabad, and Hirat), as GDMA is of the opinion that these four municipalities have adequate resources to do this activity on their own.

With the approval of SHAHAR management, a plan for testing the addressing system in one municipality was formulated. The plan calls for first using a municipality's satellite imagery and preparing a tentative addressing master plan, including street codes and doorway numbers. This will be followed by consultations with municipal officials and the conduct of field surveys to confirm the street codes and doorway numbers prior to the actual installation of street signs and house number plates. The system will be piloted in one of the districts of Chaharikar.

COMPONENT C: ASSISTANCE TO MUNICIPAL ADVISORY BOARDS (MABs)

MOU BETWEEN SHAHAR, MUNICIPALITIES AND MABS

SHAHAR drafted an MOU between SHAHAR, the municipalities and Municipal Advisory Boards. This was translated into Dari and Pashto prior to sharing with the municipalities and MABs. The MOU sets out the commitments and obligations of SHAHAR, municipalities and MABs relative to the implementation of the SHAHAR program in each municipality.

Across all four regions, SHAHAR embedded teams briefed mayors and MAB members on the MOU and asked them to review and sign it. By May, the Mayors and Heads of MABs in all 20 SHAHAR partner municipalities had signed the MOU.

CREATE & IMPLEMENT A CAPACITY BUILDING PROGRAM FOR MAB MEMBERS

C.1.1 Develop and Implement a Capacity Building Program for Municipal Advisory Boards

The SHAHAR KTT and ATR started working on the Organizational Capacity Assessment Tool (OCAT) for an assessment of the current status of the MABs. Following the OCAT workshop on June 8, 2015, an initial draft of the modified OCAT was developed.

July – September 2015 Quarterly Data

In September, the OCAT was finalized and subsequently approved by GDMA. A ToT for SHAHAR regional and embedded advisors in the use of the OCAT was conducted on August 29-30 in SHAHAR's Kabul Central Office. The advisors were advised to conduct the assessment the week after the training. During the training, GDMA presented the revised MAB terms of reference (ToR). A workshop on analyzing the MABs' strengths and weaknesses and formulating an action plan for their capacity strengthening was also conducted.

OTHER ONGOING ACTIVITIES AND KEY MEETINGS

REVENUE GENERATION & FINANCIAL MANAGEMENT

D.0.1.1 Revenue Generation

July – September 2015 Quarterly Data

In August, the Administrative Reform Advisors coached the Puli Khumri Revenue Manager, the Asadabad Administration and Finance Manager, and the Feroz Koh Revenue Manager in tracking, analyzing, prioritizing, and estimating municipal revenue sources in preparation for the RGAP ToT.

The Project Management/Engineering Advisor in Qalat provided on-the-job training to the Municipal Property Manager in determining the area and dimensions of vacant land with possible revenue-generation potential within the municipality's existing master plan.

On August 11, the SHAHAR Financial Management Advisors in Hirat, Feroz Koh, and Qala-e-Naw municipalities coached the Municipal Revenue Managers, Revenue Officers, and Accounting Managers in these municipalities in the following:

- Recording revenue vouchers in the cash receipts journal spreadsheet
- Generating computerized monthly reports of sub-ledgers
- Recording revenue transactions in the appropriate spreadsheet
- Preparing monthly revenue reports and reconciling the monthly revenue bank statements with the sub-district offices' monthly reports
- Drafting monthly revenue reports

In Feroz Koh, the Financial Management Advisor coached the Border Revenue, Collection and Business License Officers in developing an action plan for increasing the revenue collected from five selected revenue sources based on their two-month RGAP.

The SHAHAR Financial Management Advisor coached the Puli Alam Municipal Revenue Manager in preparing the monthly revenue report.

In September, the SHAHAR Financial Management Advisor coached the Puli Alam and Asadabad Municipal Revenue Managers in preparing the monthly revenue report.

New templates for tracking the weekly and monthly progress of SHAHAR municipalities in property registration and *Safayi* fee collection were devised and distributed to SHAHAR's embedded advisors. The templates form part of the ongoing effort to encourage municipalities to continue surveying and registering properties and businesses, updating their databases, and collecting *Safayi* and business licensing fees to achieve their revenue budgets.

The weekly tracker monitors the weekly progress with a one-month time horizon for the aggregation of figures. The one-month period starts on the first day of the first week of the month. For SHAHAR, the first day of the week is Saturday and the last day is Wednesday. For a given month, therefore, the reporting period begins on the first Saturday and ends on the last Wednesday. The weekly tracker collects three main types of data: registration, issuance of *Safayi* notebooks or business licenses, and revenue collection. For each type of data, cumulative figures for the previous period, the current week, and month-to-date are collected and reported. The results of the weekly tracker are included in SHAHAR's weekly reports.

The accumulated monthly figures are then used for populating the monthly tracker, with a time horizon corresponding to the fiscal year. The same types of data as in the weekly tracker are collected and reported. The reported data for the past period covers the first day of the current fiscal year up to the end of the preceding month. Accomplishments for the current month and year-to-date are then provided. The monthly trackers also provide the estimates of the total number of properties and businesses in each municipality and how many of these have already been registered and entered into each municipality's database for billing and collection purposes. Year-to-date figures on revenue collection are then compared with the current fiscal year's budget.

D.0.1.3 Budget Execution

July – September 2015 Quarterly Data

On August 10, the SHAHAR Financial Management Advisor met with the Qala-I-Naw Mayor to discuss and arrange a public hearing on the status of the execution of the current fiscal year's budget. During the public hearing, the municipal officials will present the 1394 fiscal year budget as approved and modified by GDMA, actual collected revenue and expenditure, and activities/projects completed so far during 1394. The participants will include citizens, MAB members, and representatives of civil society organizations.

On August 16-19, SHAHAR Financial Management Advisors coached the Puli Khumri, Asadabad, Qala-I-Naw, Maydan Shahr, and Chaharikar Municipal Accounting/Finance Managers in budget execution, preparation of revenue reports, and preparation of the monthly payroll. As a result, the municipalities' expenditure reports covering the last six months of FY 1394 were prepared.

On August 31, the SHAHAR Financial Management Advisors coached the Municipal Accounting and Revenue Managers of Asadabad, Feroz Koh, Lashkar Gah, and Maydan Shahr in entering expenditure transactions for the first two quarters of FY 1394 into the computerized M20 Expenditure Ledger and assisted them in drafting the monthly expenditure reports.

D.0.1.4 Business Licensing

July – September 2015 Quarterly Data

On August 10, the SHAHAR Financial Management Advisor coached the newly appointed Gardiz Business License Officer in using the business licensing database. On August 11, coaching was provided to the Feroz Koh Municipality Business License Officer in preparing a tracker to record the registered businesses, the number of licenses issued, and the amount of collected revenue.

On August 16, the SHAHAR Financial Management Advisor assisted the Puli Alam Business License Officer in surveying and registering newly established businesses in the municipality, inputting the new businesses into the municipality's automated business licensing database, and printing business licenses using the business licensing application and the new GDMA Tariff/*Lahia*.

The SHAHAR Strategic Planning Advisor/Team Lead coached the Asadabad Business Licensing Officer in preparing the business licensing report.

On August 30-31, the SHAHAR Financial Management Advisors coached the Mihtarlam and Kandahar Municipal Business License Officers in updating and entering the new fee rates in the business registration database, calculating new fee rates for each business category based on the tariff structure promulgated by GDMA, and generating computerized monthly reports on business licensing.

On September 15, the SHAHAR Financial Management Advisors in Mihtarlam, Asadabad, Jalalabad, Chaharikar, Puli Alam, Gardiz, Maydan Shahr, and Ghazni coached the Municipal Business License Officers in printing business licenses, recording the issuance of the licenses in the registration book and encouraging them to keep a record of accomplishments. The SHAHAR team in Qalat held a meeting with the Business Licensing Department to discuss the challenges related to business license distribution and fee collection. The SHAHAR team advised the municipal staff to conduct a public awareness campaign, such as a radio roundtable program, to explain to local businessmen the importance of obtaining a business license.

On September 29, the SHAHAR Financial Management Advisor of Chaharikar coached the Municipal Business Database Officer in extracting a list of those shopkeepers who have not obtained their business licenses for the 1394 Fiscal Year and reporting this information to the designated person for follow-up.

In all four regions, SHAHAR Financial Management Advisors supported and monitored business licensing activity and collected the data for the weekly and monthly Business License Trackers.

D.0.1.5 Safayi Collection

July – September 2015 Quarterly Data

In August, the SHAHAR Financial Management Advisor in Kandahar continued coaching municipal revenue staff in the use of the parcel registration application for *Safayi* collection.

On August 8, the SHAHAR Financial Management Advisor coached the Chaharikar Property Registration Database Officer in regularly updating the property registration database and coached the Revenue Collection Manager on August 10 in creating a list of governmental departments that have not paid their *Safayi* tax.

The Administrative Reform Advisor met with the Aybak Mayor and key municipal staff on August 9 to discuss the process of accelerating *Safayi* collection and business licensing processes. During the meeting, the *Nahya* 1 and *Nahya* 2 Heads were selected as focal points to update the Mayor in this regard.

On August 16, SHAHAR Financial Management Advisors coached the Mazar-e-Sharif, Asadabad and Mihtarlam revenue staff and *Nahya* managers in printing *Safayi* booklets and updating the *Safayi* collection database. The use of the automated *Safayi* collection database will allow the revenue departments of these municipalities to automatically analyze their revenue collection performance and generate monthly and quarterly financial reports.

The SHAHAR Strategic Planning Advisor/Team Lead in Asadabad also coached the *Nahya* 1 Manager in preparing the *Safayi* collection report.

On August 29-30, the SHAHAR Financial Management Advisors coached the Qalat, Lashkar Gah, and Kandahar *Safayi* Collection Data Entry and Revenue Officers in printing new copies of *Safayi* invoices based on the new tariff and trained them on the use of the IFMS *Safayi* Module.

In September, the SHAHAR Financial Management Advisors in all four regions supported and monitored *Safayi* collection activity.

D.0.1.6 ICT Support

July – September 2015 Quarterly Data

During the Kabul Technical Team (KTT) meeting on August 1, consideration was given to using existing resources

from the KTT to provide technical assistance to the municipalities in solving the problems they are currently experiencing in the use of their existing business licensing and *Safayi* collection applications. These problems can be generally classified as follows: (1) ICT Infrastructure - connectivity, installation, and configuration of equipment; or (2) IFMS Application - form and report errors, malfunctioning of applications, and software configuration problems.

The team concluded that the available KTT staff are not ICT experts and will not be able to solve these problems. Consequently, it is recommended that the team to be hired for the ICT assessment also provide IFMS technical support to the municipalities to restore the functionality of their existing business licensing and *Safayi* collection applications.

On August 15, the Aybak Administrative Reform Advisor, with the support of the SHAHAR Kabul Central Office ICT Team, solved some technical issues in the municipality's Citizen Service Center (CSC).

D.0.1.7 Financial Reporting to GDMA

July – September 2015 Quarterly Data

In August, SHAHAR Financial Management Advisors provided technical assistance to the Mazar-e-Sharif Finance/Accounting Manager, Hirat Bookkeeping and Budgeting Officer, Mihtarlam Accounting Officer, and the Revenue Managers in Chaharikar, Gardiz, and Maydan Shahr in the preparation of monthly cash receipts sub-ledgers and expenditure and revenue collection reports for the first and second quarters of fiscal year 1394.

The Financial Management Advisor in Tirin Kot coached the Municipal IFMS Operator in the preparation of a five-year expense report for submission to IDLG/GDMA and assisted him in restoring the functionality of the *Safayi* notebook, revenue and expense reporting, and budgeting applications.

On August 5-12, the SHAHAR Financial Management Advisor coached the Ghazni Municipal Finance Officer in recording expenditure transactions in the cash disbursement journal, *Hawala* Book, and in the M20 expenditure ledger. On August 8, coaching was provided to the Asadabad Municipal Accounting Manager in preparing the M20 expenditure ledger and the M20 tracking sheet to record expenditures and automatically generate quarterly and annual expenditure reports. On August 11, coaching was provided to the Lashkar Gah Municipal Accounting Manager in modifying the transaction journal in the accounting module of IFMS.

On August 16, the Aybak Administrative Reform Advisor coached the Municipality Entrance Gates Revenue Collection Manager in preparing accurate and detailed reports of the entrance gate revenue. The SHAHAR Financial Management Advisor in Shibirghan coached the Business License Manager and Head of four *Nahyas* in tracking, analyzing, estimating, and collecting various municipal revenue sources. The Shibirghan Financial Management Advisor coached the Revenue Officer in preparing the monthly revenue reports. The Financial Management Advisors in Ghazni, Asadabad, and Maydan Shahr coached their respective Accounting Officers in reconciling monthly bank statements and expenditure reports and recording expenses in M20 expenditure ledger.

On August 22-26, the SHAHAR Financial Management Advisors of Chaharikar, Asadabad, Ghazni, Mihtarlam, Maydan Shahr, Puli Alam, and Tirin Kot coached the municipalities' Accounting Officers in preparing the monthly revenue and expenditure reports.

From August 29 to September 2, the SHAHAR Financial Management Advisor coached the Accounting Manager of Maydan Shahr in drafting the monthly expenditure report for submission to GDMA.

On September 19-22, SHAHAR Financial Management Advisors in Maydan Shahr, Mihtarlam and Chaharikar

coached the Municipal Revenue and Accounting Managers in preparing third quarter revenue and expenditure reports for submission to GDMA.

On September 21, Financial Management Advisors of Ghazni, Puli Alam, Gardiz, and Asadabad coached municipal staff in preparing their third quarter revenue and expenditure report. The bank reconciliation for the third quarter is in progress for both revenue and expenditures in Ghazni Municipality.

On September 29-30, the SHAHAR Financial Management Advisors in Asadabad, Mihtarlam, Chaharikar, Puli Alam, Gardiz, Maydan Shahr, Feroz Koh, and Ghazni municipalities coached their municipal counterparts in preparing the monthly expenditure and revenue reports for the municipalities. The Feroz Koh municipality reconciled their third quarter report with the revenue and expenditure ledgers.

SERVICE DELIVERY & PROJECT MANAGEMENT

D.0.3.1 Municipal Development Projects

July – September 2015 Quarterly Data

In August, SHAHAR Project Management/Engineering Advisors continued to provide on-the-job training to municipal engineers and/or construction managers in the design, estimation, and preparation of bidding documents for fiscal year 1394 municipal development projects, including: 20 meters of culvert installation in Maymana; construction of a road intersection in Shibirghan; and 0.4 kilometer of graveled road construction in Gardiz. The advisors also coached their municipal counterparts in monitoring the ongoing reconstruction of the Provincial Governor's Office Road in Chaharikar and the construction of the Children and Women's Park in Maydan Shahr.

On August 10, the SHAHAR Project Management/Engineering Advisor coached the Maymana Municipal Engineering Manager in using AutoCAD to draw a map and to design a municipal development project. On August 10-11, the SHAHAR Engineering Advisor coached the Qala-I-Naw municipal construction staff in monitoring the Municipal Market construction project in *Nahya 1*, advised them of the defects in the installation of rebar in the roof, and instructed the site supervisor to repair the defects. In addition, the municipal construction staff, with the support of the advisor, monitored the ground layout of the Municipal Market in *Nahya 2* and provided instructions to the site workers based on the drawings.

As a result of a monitoring visit in Shibirghan, it was discovered that the current lease agreements for some municipal facilities currently being operated and maintained by private contractors are about to expire. The monitoring team shared this finding and the physical condition of the facilities with the Mayor, who requested the assistance of the SHAHAR Project Management/Engineering and Administrative Reform Advisors in preparing new lease agreements for the municipality's public latrine and bus terminal.

The Project Management/Engineering Advisors in the North Region continued coaching the municipal engineers in the design, estimation, and preparation of bidding documents for municipal development projects. The assistance included the establishment of leveling points, GPS points, canal slopes, dimensions and alignments to develop the design of the canal in *Nahya 9*, leveling of the Family Park, and design of the new city gate for the eastern entrance to Shibirghan.

In Qala-I-Naw, SHAHAR's Project Management/Engineering Advisor assisted the municipal construction staff in designing the *Abdul Khaliq* Road, monitoring the construction of a commercial market in *Nahya 1*, and surveying for the road gravelling project in *Nahya 3*.

On August 25, the SHAHAR Engineering Advisor coached the Feroz Koh Technical and Sectorial Manager in

monitoring the slaughterhouse project and assisted him in providing technical instruction to the contractor in correcting defects in the plastering and metal work.

The SHAHAR Project Management/Engineering Advisor in Qala-I-Naw coached the construction staff in the layout, leveling, and compaction of the municipality's commercial market project in *Nahya I* and guided them in using the proper references and the approved construction drawings. During the monitoring of the project, it was determined that the contractor was not correctly following the technical construction drawings, and the SHAHAR Project Management/Engineering Advisor coached the construction staff in issuing corrective instructions to the contractor.

On August 25, the SHAHAR Project Management/Engineering Advisors in Puli Alam and Mihtarlam continued coaching the Municipal Engineers and Construction Manager in designing the slaughterhouse and Bagh-e-Saraj surrounding wall projects. The bill of quantities (BoQ) for the slaughterhouse was finalized and added to the FY1394 budget for implementation.

The SHAHAR Project Management/Engineering Advisor assisted the Head of Engineering Department of Shibirghan Municipality in monitoring the new business market project, and provided on-the-job training on how to weld the galvanized iron fence and wooden pillar stand of the shuttering work.

The Project Management/Engineering Advisor assisted the Construction Officer of Asadabad in designing the L-shaped iron net for closed-side ditches in *Band-e-Barq* area. The advisor also assisted in conducting the final survey and collecting the initial data for the construction of side ditches in *Kara Mar* area.

On August 31, the Project Management/ Engineering Advisors coached the Municipal Engineers of Ghazni, Aybak, and Feroz Koh in surveying, site planning, and cost estimation of a public park project. The advisor in Feroz Koh assisted the municipal staff in preparing documents for the planned projects of the municipality. He also assisted the Municipality Procurement and Service Manager in drafting a detailed and comprehensive lease agreement for the Mini Football Playground and other municipal staff in monitoring the progress of the slaughterhouse project.

In September, the SHAHAR Project Management/Engineering Advisor assisted the Head of Engineering Department of Shibirghan Municipality in monitoring the new business market project and provided on-the-job training on how to weld the galvanized iron fence and wooden pillar stand of the shuttering work. The Project Management/Engineering Advisor assisted the Construction Officer of Asadabad in designing the L-shaped iron net for closed-side ditches in *Band-e-Barq* area. The advisor also assisted in conducting the final survey and collecting the initial data for the construction of side ditches in *Kara Mar* area.

On September 5-7, Mazar-e-Sharif, Puli Alam, Qalat, Tirin Kot, Chaharikar, Mihtarlam, Asadabad, Ghazni, and Shibirghan SHAHAR Project Management/Engineering Advisors continued coaching the Municipal Engineers, Monitoring and Evaluation Managers, and Construction Managers in designing, budget estimation, and monitoring and evaluation of municipal development projects.

On September 21, the SHAHAR Engineering Advisor in Feroz Koh coached the Municipal Construction Manager in monitoring the Slaughterhouse, Municipal Market and Park projects and provided technical instruction and guidance regarding the construction activities, such as concrete pouring.

On September 30, the SHAHAR Project Management/Engineering Advisor provided on-the-job training and technical assistance to the Head of Engineering Department of Shibirghan Municipality in the implementation and monitoring of a municipal market project. In addition, the SHAHAR Project Management/Engineering Advisor continued coaching municipal engineers in the use of Google Sketch UP software.

GOVERNANCE & COMMUNITY OUTREACH

D.0.5.1 MAB Meetings and Activities

July – September 2015 Quarterly Data

On August 1, the Aybak Municipal Advisory Board (MAB) met with the Aybak Mayor and recommended that he require the lessees of the Aybak-to-Mazar-e-Sharif and Aybak-to-Puli Khumri/Kabul bus terminals, as well as the public latrines, to fulfill their obligations under the relevant PPP agreements. The MAB also recommended that the municipality finalize the selection of a lessee for the mini football playground.

The SHAHAR Communications and Advocacy Specialist and Community Outreach Advisor assisted the Hirat MAB organize a media interview for a TV program. The MAB Head and members of the Economic Sub-Committee participated in the interview and discussed the activities of the Hirat MAB and its sub-committees. They emphasized the role of the MAB in representing and advocating for citizen priorities and concerns to the municipality.

The SHAHAR team assisted Qala-I-Naw municipal officials and MAB members in coordinating a meeting with the *Nahya* and *Gozar* Councils. The purpose of the meeting was to discuss cooperation/coordination of the Councils with Qala-I-Naw Municipality in collecting *Safayi* fees and in improving municipal service delivery for citizens.

On August 22, at the request of the Head of the Hirat MAB, the SHAHAR Community Outreach Advisor organized a meeting to discuss the appropriate methodology for observing the progress of the municipality's development projects and assisting the municipality. They agreed to establish an M&E subcommittee to monitor and evaluate the 1394 development projects in Hirat Municipality, with the new subcommittee composed of five men and one woman. In addition, the MAB members agreed to invite two volunteer members from the Engineering Faculty of Hirat University to be part of the M&E subcommittee and requested the SHAHAR team to support the subcommittee with an orientation and subsequent coaching on M&E.

D.0.5.2 Other Community Meetings

July – September 2015 Quarterly Data

On August 2, the SHAHAR Administrative Reform and Community Outreach Advisors assisted the Aybak municipal staff in organizing a meeting of *Kalantars* to discuss how to improve their communication with *Nahya* 2 officials and improve *Safayi* collection and develop the municipality's Cleaning and Greening Plan.

On August 10, the SHAHAR Community Outreach Advisor met with the Director of Women's Affairs (DoWA) in Tirin Kot. The meeting mainly focused on increasing women's participation in the MAB and their employment in the municipality. The DoWA Director appreciated SHAHAR's emphasis on increasing opportunities for women and stated that she will encourage women to participate in the MAB and work for the municipality.

On August 23, the Feroz Koh Youth Council, with the support and coordination of the SHAHAR Community Outreach Advisor, met with the Mayor to discuss the publishing of the municipal monthly magazine. During the meeting, they agreed to introduce and assign magazine writers, editors, and reporters from the Youth Council and municipal staff in order to work together to publish the *Simay Shahr* Monthly Magazine.

On August 30, Mazar-e-Sharif Municipality arranged an awareness program for school students, introducing them to municipal activities, including an overview of solid waste collection procedures and the GIS software. The main purpose of this activity was to encourage students to take an active part in raising awareness on proper solid

waste management practices in their areas.

KEY MEETINGS

The SHAHAR team participated in an initial orientation meeting on Tuesday, January 13. In attendance were key USAID representatives including the CO and the COR, and the SHAHAR start up team. Topics discussed during the meeting included:

- Introduction by USAID CO.
- SHAHAR overview and progress summary by Acting COP.
- Monitoring of USAID projects.
- USAID project financial management.
- USAID project outreach and communication.
- Legal team introduction and tax exemption procedures.
- Partner Liaison and Security Office introduction.
- USAID property dispositions.
- USAID subcontractor vetting procedures.
- Post-award contract discussion and clarifications.

An introductory meeting with the General Directorate of Municipal Affairs (GDMA) and USAID was held on Wednesday, January 28. Participants agreed that it was a productive meeting, setting the tone for effective communication, coordination, and collaboration over the life of the program. The following specifics were discussed:

- Communication and coordination, including holding the weekly coordination meetings, with a view to subsequent transition to monthly meetings once the program is up and running.
- Balancing infrastructure projects and capacity building.
- Continuation of the technical working groups.
- Sharing and translation of reports with GDMA.
- GDMA's involvement in the recruitment process for certain positions.
- GDMA's involvement in the development of the Year 2 and Year 3 work plans.
- Participating municipalities.
- Operationalizing the Integrated Financial Management System (IFMS).
- Local Economic Development Strategic Plans.

Discussions also continued on selection of SHAHAR municipalities and resulted in agreement that Gardiz and Aybak will replace Nili and Farah.

On May 11, SHAHAR senior management and technical advisors from both the Kabul Central Office and North Regional Office conducted a SHAHAR Stakeholders meeting at the U.S. Consulate located on Camp Marmal in Mazar-e-Sharif. Participants included the Mayors, MAB Heads, and Provincial Council Representatives of Mazar-e-Sharif, Aybak, Shibirghan, Puli Khumri, and Maymana Municipalities. USAID representatives included the COR for SHAHAR, the Deputy Director for the Office of Democracy and Governance (ODG), the Senior Development Officer for the North Region, and the Program Management Specialist for SHAHAR. The SHAHAR COP, DCOP, Senior Municipal Governance Advisor, M&E Advisor, Governance and MDF Director and Acting Regional Technical Director for the North participated on behalf of SHAHAR. During the meeting, there was an open discussion among the Mayors and MAB Heads regarding their achievements over the past 12 months, the challenges facing their municipalities in the coming months and years, and their needs and requested assistance in relation to SHAHAR's Year 2 (FY 2016) Work Plan.

On June 16, a second SHAHAR Stakeholders meeting was held in Hirat at Camp Arena. Participants included the

Mayors, MAB Heads and Provincial Council Representatives of Hirat, Feroz Koh and Qala-I-Naw Municipalities. USAID representatives included the COR for SHAHAR, the Deputy Director for ODG, and the Program Management Specialist for SHAHAR. The SHAHAR COP, DCOP, Senior Revenue Generation and Economic Development Advisor, M&E Advisor, Governance and MDF Director, the West Regional Technical Director, and the relevant Municipal Team Leads participated on behalf of SHAHAR. The agenda for the meeting was the same as that for the Stakeholder's meeting in Mazar-e-Sharif.

On June 23, the SHAHAR senior management and subcontractors RSI, Lapis, ATR, and Synergy International Systems conducted a coordination meeting with the IDLG. The participants included the newly appointed and confirmed IDLG Director General, Deputy Director General, GDMA/ IDLG, USAID Activity Manager for SHAHAR, the SHAHAR COP, DCOP, and SHAHAR subcontractor representatives. The SHAHAR team briefed the IDLG Director General on the SHAHAR project and its objectives, and the subcontractors overviewed their scopes of work.

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On July 22, the SHAHAR team met with GDMA senior staff for the purpose of providing them with a program update. GDMA indicated the MOU with SHAHAR would be signed after or in conjunction with the signing of the Implementation Letter with USAID. In this regard, GDMA indicated it was best to have the political decision (i.e. Implementation Letter) made first. GDMA further stated that they expect the MOU to be signed within one or two weeks.

GDMA senior staff expressed the desire that SHAHAR's GDMA embedded advisors report to GDMA's Director or unit heads on a day-to-day basis and that they report to SHAHAR on a monthly or weekly basis. The SHAHAR team indicated the GDMA embedded advisors would have reporting lines to GDMA, especially on a day-to-day basis, but emphasized the fact that they were also responsible to SHAHAR senior management for the accomplishment of certain program deliverables. The SHAHAR team also noted that it is in the process of acquiring furniture, equipment and office supplies for the GDMA embedded advisors.

GDMA acknowledged it had received the draft Communications Protocol a couple of months ago and had commented on it, but had not shared those comments with SHAHAR. GDMA stated that it would forward the draft protocol to SHAHAR with its comments.

With regard to obtaining GDMA's comments on both the MGCI and CPS baseline reports, GDMA recommended SHAHAR first provide it with PowerPoint presentations for both reports in order to obtain their comments and suggestions before translating the entire reports into Dari and Pashto. GDMA also indicated it is difficult for them to read long narrative reports and that they would prefer these and similar reports be initially presented in PowerPoint format. SHAHAR agreed to do so and also informed GDMA that SHAHAR would share the raw data for both reports.

GDMA agreed that SHAHAR should proceed with the planned ICT assessment, but emphasized that IFMS should be a Year 2 activity. GDMA also requested a PowerPoint presentation for GDMA staff on the ICT assessment.

In relation to citizen service centers (CSCs), GDMA noted that it has collected some data and information about CSCs that it would share with SHAHAR. GDMA also indicated it was supportive of a separate CSC committee under the MAB.

GDMA also requested a PowerPoint presentations on the local economic development plans (LEDPs), solid waste management (SWM) profiles and plans, municipal addressing, the CUSDM, the Organizational Capacity Assessment Tool (OCAT) that will be used for a rapid capacity assessment of the MABs, and SHAHAR Project

activity to date and planned for Y2.

GDMA staff indicated that their most current GIS maps are with UN HABITAT and that they would have them back by the end of July and would then share them with SHAHAR.

Relative to the short-term technical assistant (STTA) who will be recruited to lead the effort to pilot a Municipal Development Fund (MDF), GDMA requested that the individual selected be someone who has worked with municipalities, not an academician. GDMA indicated this individual would need to be able to coordinate with both IDLG/GDMA and the MOF, and that GIRoA has already had preliminary discussions regarding the creation of a MDF and, at this time, are considering one with three components: (1) municipal investment fund, (2) municipal matching grant fund, and (3) municipal incentive fund.

D.0.8.1 Meetings with GIRoA Officials at the Provincial or National Level

On September 5, the Provincial Governor of Samangan visited Aybak Municipality and the SHAHAR team. The SHAHAR Strategic Planning Advisor/Team Lead briefly explained to the Governor SHAHAR's objectives, accomplishments so far, and ongoing and future activities.

The SHAHAR Kabul Technical Team and SHAHAR partner RSI presented the results of the Citizen Perception Survey (CPS) to GDMA senior staff and received their inputs. Currently, the team is working to incorporate GDMA comments and update the CPS presentation.

D.0.8.5 Other Key Meetings

On September 6, the SHAHAR Regional Technical Directors and Revenue Generation and Economic Development Senior Specialists met with Hirat Mayor and Kandahar Deputy Mayor to discuss the OCAT, CSC, and the Mayors' and MAB networks. On the occasion, the Mayor and Deputy Mayor were also briefed on the upcoming RGAP and LEDP regional trainings.

The Hirat Mayor noted that the trainings will be a great chance for Hirat, Qala-I-Naw, and Feroz Koh municipal senior officials to know each other and exchange experiences. He then asked the SHAHAR team to conduct the training inside municipal premises.

On September 16, the SHAHAR team held a coordination meeting with the Maymana Mayor and key municipal officials to apprise them of the progress of SHAHAR activities, such as the LEDP updating and upgrading, CSC Readiness Assessment, and Revenue Generation Action Plan (RGAP) preparation training.

The SHAHAR teams in Kandahar, Qalat, Lashkar Gah, Tirin Kot, and Hirat met with their respective key municipal staff and mayors to brief them on SHAHAR current and planned activities.

The SHAHAR team in Hirat met with the new Mayor, briefed him on the SHAHAR program and both ongoing and planned activities in Hirat Municipality. In doing so, they overviewed activities to date related to the LEDP, RGAP, CSC, and SWM Plan. The Mayor emphasized some specific activities, such as establishing a public-private partnership (PPP) unit at the municipality, and requested support from SHAHAR in budgeting and in supporting the newly established MAB subcommittees.

In addition, during the reporting period, the SHAHAR Kandahar and Lashkar Gah teams met with the Deputy Mayors and senior municipal staff in both municipalities to brief them on SHAHAR's ongoing and planned activities.

CHALLENGES

Delays in Confirming Subnational Government Appointments

Following the national election in 2014, the Ghani administration has been in the process of nominating and getting Parliamentary approval for ministerial posts. It is anticipated that, following parliamentary approval of ministers, there will be changes to provincial governors, all of whom are currently in post in an 'acting' capacity. It is also expected that, in many municipalities, there will be a change of leadership extending downward through the ranks of municipal government employees. These delays have led to continuing uncertainty at the subnational government level, has put increasing strain on municipal government's ability to make timely decisions and improve performance. This uncertainty also raises the prospect of SHAHAR starting work with mayors and municipal employees who will be replaced in the near future and therefore reducing the speed of municipal improvement.

Unexpected IFMS Development Requirements

According to initial discussions with the IDLG Director of ICT, the IFMS system needs significant further development work prior to rolling it out. For example, the database system may need to be re-designed. The IDLG ICT Directorate is also making it a pre-condition for municipalities to install its Standardized Information Technology System (SINTS) before they can receive any ICT roll-out. SINTS is a set of ICT infrastructure consisting of cabling, server, and firewall. So far, the installation of SINTS has been completed only in Mazar-e-Sharif and has started in two other municipalities (Aybak and Shibirghan) with the installation of cabling. The installation of the other ICT infrastructure components in the latter two municipalities has not been completed due to a lack of budget.

These issues pose potential challenges to the rollout of IFMS, and the planned ICT assessment will help SHAHAR identify whether these challenges require adjustments to work plans and/or activities.

Delays in Signing the MOU between SHAHAR and GDMA

The delay related to the MOU delayed the issuance of introductory letters for SHAHAR to the relevant mayors and governors, as well as the execution of MOUs with the SHAHAR municipalities, both of which were necessary for program implementation activities to begin. These inexplicable delays postponed the start of program implementation by as much as 2-3 months.

Municipal Boundary Maps Not Being Made Available

Municipal maps were required for the Citizen Perception Survey for designating the sampling areas to ensure that survey teams were deployed within the municipal area of operations. They are also an important tool for quality assurance, as the maps can be combined with geolocation of survey data points to ensure that surveyors followed the sampling methodology.

SHAHAR initially requested these municipal maps from GDMA on April 13, 2015. GDMA explained that these documents had not been approved by MUDA. SHAHAR was subsequently able to obtain these maps through a contact one of its senior staff members has at MUDA. Aerial imagery obtained during the RAMP-UP projects was also used to overcome this challenge.

Mistakes in the Signed Program Introductory Letter

SHAHAR coordinated closely with GDMA to develop the official letter to introduce SHAHAR to municipalities. Upon receipt of the signed letter, it was discovered that IDLG had not signed the final draft, but had instead signed a letter which included the original list of municipalities which included Farah and Nili, instead of Aybak and

Gardiz. GDMA revised the letter to correct this mistake.

SHAHAR also noted that IDLG/GDMA had inserted additional wording into the Dari version of the introductory letter to indicate that SHAHAR would construct meeting halls for Municipal Advisory Boards. GDMA did not issue a correction to rectify this mistake, so SHAHAR briefed Mayors that this element of the letter was not correct. SHAHAR also included language in the MOU between SHAHAR, municipalities and MABs to indicate that SHAHAR will not be able to fund construction as defined by USAID, which would include constructing meeting halls.

GDMA Stoppage to IFMS Enhancement Work

GDMA continues to discuss with the Ministry of Finance (MOF) the feasibility of extending/expanding the latter's Afghanistan Financial Management Information System (AFMIS) to cover municipalities as well. In the meantime, GDMA continues to suspend all enhancement work on the existing IFMS. This suspension also covers other activities, such as the installation of ICT infrastructure and capacity building. During a meeting held on May 18, 2015, the Director General of GDMA indicated to SHAHAR's COP, DCOP and Senior Municipal Governance Advisor that IFMS is not currently a priority for IDLG/GDMA and that SHAHAR should move most of its IFMS-related programming to its Year 2 Work Plan.

These issues obviously pose potentially significant challenges to the rollout of IFMS. SHAHAR anticipates that the planned ICT assessment of the municipalities, which will proceed as currently planned, will help the project identify the extent to which these challenges will require adjustments to our Year 1 and Year 2 Work Plans, as well as provide a basis for decision-making by IDLG/GDMA regarding the future direction of ICT/IFMS program activities.

Lack of GDMA Participation in the MGCI Assessments

To date, no GDMA staff have observed or otherwise participated in any manner in the MGCI assessment fieldwork. Five GDMA staff attended training on the MGCI, with a further 3 participating in the pilot training and field work. GDMA observation of the MGCI is one element of SHAHAR's strategy for transferring the MGCI tool, and capacity to implement it, to GDMA; so, non-participation in this activity may undermine future efforts to improve GDMA's capability to assess municipal performance. SHAHAR will continue to encourage GDMA to nominate staff to observe the MGCI assessments and to actively participate in all MGCI activities. The Year 2 control assessment will be used to further develop GDMA's capacity to participate in a substantive way in the Year 2 assessment of the SHAHAR partner municipalities.

Political Transition to the National Unity Government (NUG)

As the national political transition to the NUG continued, and as it began to affect IDLG and GDMA, key decision-makers within these GIROA directorates became more and more uncertain regarding their own political futures and increasingly reluctant to make important and timely decisions related to critical program implementation activities.

Based on the positive nature of the June 23, 2015, meeting between SHAHAR senior management and subcontractors and the newly appointed and confirmed IDLG Director General and Deputy Director General, it appears this transition has been completed in relation to the leadership of IDLG and that there is a renewed commitment and sense of urgency on the part of both IDLG and GDMA to move forward with program implementation activities.

Security

Kabul: Activity levels remain relatively consistent on a month-to-month basis in Kabul. The past six months has

been consistent with this trend, typically registering over 30 incidents per month, including security force-initiated activity, small arms attacks, civil unrest, and significant criminal activity. Several spates of attacks and ensuing lulls have occurred in the past year. The first spat occurred in early-mid May and comprised attacks against the Attorney General's Office and foreign nationals (Park Palace and Heetal attacks), followed by relative lulls in June and July, except for the June 22 attack on the Afghan Parliament and the June 30 vehicle borne improvised explosive device (VBIED) targeting an International Security and Assistance (ISAF) Force convoy. The second main spat occurred shortly after the announcement of Mullah Omar's death, and comprised the August 7-10 series of high-profile attacks. Among the targets specified in recent threat reporting have been hotels and guest houses, United Nations Assistance Mission Afghanistan (UNAMA) staff, foreign nationals in areas like Wazir Akbar Khan or Sherpur, as well as the Cure Clinic/Hospital, along the Darulaman Road.

Kandahar City and Southern Municipalities: Kandahar City incident patterns remain geared around improvised explosive devices (IEDs), which over the past seven months have typically accounted for roughly 40-50 percent of the total activity per month. Among these, the bulk has been reported to have used remote-controlled and/or roadside devices targeting Afghan National Security Forces (ANSF) assets. September saw Kandahar City registering a substantial drop in IED activity (no recorded detonations and four clearances), though such activity has since begun trending upwards toward previously-reported levels.

The South Region, unsurprisingly, has been a key region for increased Taliban encroachment and expanded capacity/influence as a large number of the either Taliban-controlled or Taliban-contested districts in the country are in this region. Nonetheless, none of the southern provincial capitals have fallen to insurgents, though kinetic activity in areas surrounding these municipalities remains relatively high.

Mazar-e Sharif and Northern Municipalities: Mazar-e-Sharif has recorded relatively low incident levels over the past seven months; the most notable incident in this timeframe being the April 9 complex attack targeting the Attorney General's Office, which killed at least 19 people and injured over 60, in the most devastating attack in the city in several years. Activity has remained relatively low since the complex attack targeting the Attorney General's Office.

Although outside SHAHAR's area of operations, the major development in northern Afghanistan – and countrywide – remains the September 28 capture of Kunduz City, the first major urban center to fall to the Taliban since 2001. The capture, albeit temporary, has been assessed as one component of the Taliban's broader northern offensive in the past year, which has seen many cities in this region under greater threat, including the SHAHAR municipalities of Maymana and Puli Khumri.

Hirat City and Western Municipalities: The majority of incident reporting for Hirat City continues to involve petty criminal incidents (such as narcotics arrests, interpersonal disputes and petty theft), rather than significant criminality. While Hirat City activity has increased of late, incident levels remain generally comparable to those of last year for the same period (a 2015 average of 16 incidents per month compared to a 2014 monthly average of 14 incidents).

Slightly more of the remaining activity in the West Region has occurred in Feroz Kot, followed by Qala-I-Naw. Activity types in these municipalities remain relatively evenly distributed, with sporadic reports of small arms attacks, IED detonations or clearances, significant criminality, and protests.

Jalalabad and Eastern Municipalities: The East Region has the second highest rate of kinetic activity in the country. It has also been the site of significant militant advances in the past year; Ghazni City, Mihtarlam and Gardez remain among the more kinetic urban centers in the country. Jalalabad itself has actually been less kinetic in the past six months, as compared to these other urban centers, as well as compared to levels of activity elsewhere in Nangarhar Province.

Summary: Despite the higher levels of insurgent activity this past year, the impact on SHAHAR's program activities has been minimal. SHAHAR's security team coordinates daily with SHAHAR's regional and municipal teams and closely monitors activity in our area of operations. To date, the only effects the insurgent activity has had on the project is that SHAHAR's local national staff embedded in municipal offices have on a few occasions had to conduct their work from home for very short periods of time due either to demonstrations being held outside of the municipality's compound or to a verified threat on structures or facilities in close proximity to regional or municipal offices. Additionally, during periods when insurgent activity precludes road travel, SHAHAR has used United Nations Humanitarian Assistance Mission aviation to fly embedded municipal staff to meetings at the regional offices and/or the Kabul Central Office.

STATUS OF YEAR I STATEMENT OF WORK DELIVERABLES

The following table depicts the status of SHAHAR's Year I Statement of Work Deliverables, based upon both the Year I Work Plan (FY 2015), which ended on September 30, 2015, and the Year I contract year, which ends on November 29, 2015. The dates in this schedule reflect the revisions approved by USAID through Modification #1 to the SHAHAR contract.

DELIVERABLE	DESCRIPTION	DUE
A.1.4	Develop Municipality Governance Capacity Index and prepare Municipalities' Capacity Assessment and Baseline Data Collection Report	Completed July 27, 2015
A.1.7	GDMA Municipal Advisor(s) embedded	Completed July 29, 2015
B.1.1	Municipalities' Advisors embedded	Completed July 29, 2015
B.1.6	Rapid Municipalities' Capacity Gap Assessments and create Capacity Index Tool	Completed July 27, 2015
B.1.7	GDMA adoption of, and training on, the Capacity Index Tool	Due November 29, 2015
B.1.8	Individual Municipalities' Capacity Building Plan prepared annually	Due November 29, 2015
B.1.10	Create and implement a strategy to increase women and youth's participation in municipal governance	Due November 29, 2015
B.1.11	Undertake initiatives to increase public outreach, transparency, and accountability of municipal governance	Due November 29, 2015
B.1.14	Establish Municipal Awareness Raising Campaigns on maintaining clean cities	Due November 29, 2016
B.1.19	Assist municipalities to continue systematic registration of properties and businesses to create a more accurate GIS-based database for levying and collecting business fees and Safayi tax.	Completed June 29, 2015

B.1.21	Implement a scheme for each Municipality to assign Housing Numbers	Due November 29, 2015
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MONITORING AND EVALUATION

This section details monitoring and evaluation activities conducted during the reporting period, provides reporting and analysis relating to the program indicators as detailed in the AMEP and also lists achievement of contractual deliverables.

M&E SYSTEM DEVELOPMENT

The following table depicts the status of RSI's development of the M&E system for SHAHAR.

RSI M&E System Sub-Deliverables	Timeline	Remarks
<i>Activity Monitoring and Evaluation Plan (AMEP) Development and Support</i>	Completed	N/A.
<i>SHAHAR data collection plan</i>	Approved	N/A.
<i>M&E tools for performance indicators</i>	Approved	N/A.
<i>Tools for field monitoring missions</i>	Under Development	Expected to be completed in October 2015
<i>M&E Training for SHAHAR Team</i>	Completed	The training was successfully delivered to SHAHAR M&E Team in August 2015.
<i>Database for performance data</i>	Under Development	Expected to be completed in November 2015
<i>Performance indicators table (PIT)</i>	Draft Approved	Final PIT submitted with Year 1 Annual Report under separate cover
<i>Guidelines for M&E system</i>	Under Development	Expected to be completed in October 2015

PERFORMANCE INDICATOR TABLE (PIT)

The current draft of the PIT is submitted under separate cover with the Year I (FY 2015) Annual Report. Only one baseline number remains undetermined; that being the *Organizational Capacity Assessment Tool (OCAT) Score of*

SHAHAR-Supported Municipal Advisory Boards (MABs). Although the OCAT assessment of each MAB has been completed, the individual and aggregate scores will not be finalized until November 2015, and the baseline determined shortly thereafter.

Certain of the FY 2015 targets also need to be reviewed to ensure they reflect and are consistent with the revisions to SHAHAR's Statement of Work Deliverables approved by USAID through Contract Modification #1.

In certain cases, baseline and/or target data remains unavailable. For example, for any financial management or revenue generation indicators relying on municipal financial or budgetary records for Afghan Fiscal Year (AFY) 1394 to assess municipal performance, the baselines or targets will not be able to be determined until January or February 2016, as the AFY does not end until December 21.

Lastly, any performance data or targets relying on the MGCI and CPS midline assessments will not be able to be determined until July or August 2016, after these midline assessments are performed in May and June, 2016, and the resulting data is compiled and analyzed.

CONTRACTUAL DELIVERABLES

The following table depicts the status of contractual deliverables due during FY 2015, the period covered by the YI Work Plan. All five of the contractual deliverables included in the table were submitted by the due dates stipulated in the contract award.

Reporting Deliverable	Progress To Date	Status
Year I (FY 2015) Work Plan	USAID approved the Year I Work Plan on March 23, 2015.	Approved
Branding and Marking Plan	USAID approved the Year I Work Plan on March 28, 2015.	Approved
Activity Monitoring and Evaluation Plan (AMEP)	USAID approved the Activity Monitoring and Evaluation Plan (AMEP) on April 2, 2015.	Approved
Grants under Contract Manual	USAID approved the Grants Under Contract Manual on August 1, 2015.	Approved
Environmental Mitigation and Monitoring Plan (EMMP)	USAID approved the Environmental Mitigation and Monitoring Plan (EMMP) on July 28, 2015.	Approved

